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Herald Tribune



Milosevic Holds Aces In Balkan Showdown

Political Foes in Belgrade Think President Will Go to Brink, Then Feel Free to Settle

By Steven Erlanger
New York Times Service

BELGRADE — Having consolidated his power, President Slobodan Milosevic has the political space to do what he likes with the rebellious southern Serbian province of Kosovo, even opposition politicians here believe.

That is encouraging news for the Clinton administration and its NATO allies, whose threat to bomb Mr. Milosevic into ceding effective control over Kosovo will make it easier for him to justify eventual concessions.

But given Kosovo's almost mythic importance as the birthplace of the Serbian nation, Serbian officials and senior diplomats here say, Mr. Milosevic is bound to take NATO to the brink before agreeing to any political settlement over Kosovo, where an ethnic Albanian insurgency is fighting for independence.

While the vivid club of NATO's bombs is a necessary condition for any deal, Mr. Milosevic will also require some "cake," as the new deputy prime minister, Vuk Draskovic, put it — a partial lifting of the harsh diplomatic

and economic isolation that the West imposed on Serbia during the long Bosnian war.

Mr. Milosevic may also seek an undertaking that he not be indicted for war crimes.

"As much as officials in Washington publicly revile Milosevic and call him the main problem in the Balkans, he is also the solution," a senior Western diplomat said. "The West needs Milosevic to settle Kosovo, and Milosevic needs the pressure of the West to be able to do it. All the rest is hypocrisy."

There is a wide assumption here, based on the tone of the state press, that Mr. Milosevic will send a delegation to the Western-sponsored talks scheduled to start Saturday outside Paris.

There has been no official announcement, however, and officials announced that Parliament will decide Thursday on whether the Serbs will go.

Kosovo's leading moderate politician, Ibrahim Rugova, has agreed to attend but there has been no ac-

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Dimitar Dilkoff/The Associated Press
An ethnic Albanian rebel, cloaked in a sheet, blending in with the snow Monday in a trench north of Pristina, the capital of Kosovo.

A Reminder for Kosovo: The Bosnia Tragedy

By Jane Perlez
New York Times Service

WASHINGTON — As the Clinton administration rallies diplomatic and military measures to get talks going toward a peace settlement in Kosovo province, it appears that lessons have been learned from the agonizing delays in the early and mid-1990's in moving to end the civil war in Bosnia-Herzegovina.

The question is: Have enough lessons been learned to avert another Balkan tragedy?

Eleven months after the conflict in Kosovo flared

up, Washington has pushed the Europeans and Russia into calling the warring parties in Kosovo to a peace conference.

The administration was the driving force behind

the agreement on Saturday for

NEWS NATO to carry out air strikes, under

certain condition.

Along with Britain, France and Germany, which have already declared willingness to commit ground troops to monitor an eventual peace settlement, Washington is also contemplating deploying ground troops, although a much smaller contingent than went to Bosnia-Herzegovina.

Once he was there, it took heavy lifting by then big

names in the administration — Secretary of State But doubt still persists about how serious Washington is forcing President Slobodan Milosevic of Yugoslavia to leave, even though it blames his forces for mass killings in Kosovo over the last two weeks.

Critics of the administration note that it was only after NATO air strikes against the Serbs in Bosnia-Herzegovina that Mr. Milosevic was forced to the negotiating table at Dayton, Ohio.

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names in the administration — Secretary of State

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Lewinsky Under Questioning, and Starr Under Fire

By Brian Knowlton
International Herald Tribune

WASHINGTON — House prosecutors questioned Monica Lewinsky under oath for five hours on Monday, hoping for a revelation dramatic enough to persuade senators to call her to testify in person about President Bill Clinton's alleged efforts to conceal their relationship.

Earlier, the president's private lawyer, David Kendall, announced that he was taking legal action against Kenneth Starr, the

after a report that the independent counsel believed he had the authority to bring a criminal indictment against Mr. Clinton even before the president leaves office.

Mr. Kendall said he would file in

Clinton's \$1.766 trillion budget blueprint made public. Page 3.

federal district court "a motion to show cause" why Starr and members of his staff should not be held in contempt for improper violations of grand jury

secrecy." He accused Mr. Starr of "illegal and partisan leaking."

The Senate is weighing charges, largely based on the Star investigation, that Mr. Clinton committed perjury and obstructed justice in trying to conceal his relationship with Ms. Lewinsky.

After making his announcement, Mr. Kendall joined the legal team representing the president at the hotel where Ms. Lewinsky, the former White House volunteer, was being interviewed, first by prosecutors, then by the White House side.

The questioning took place in the presidential suite of the Renaissance Mayflower Hotel, a few blocks from the White House. On the prosecutors' side, it was led by Representative Ed Bryant, Republican of Tennessee, one of three House "managers" who questioned Ms. Lewinsky in the same suite eight days earlier.

The report about Mr. Starr, which first appeared Sunday in The New York Times, drew an explosive response

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AGENDA

Radicals Seized After Gun Battles in Gaza

RAFAH, Gaza Strip (AP) — A Palestinian security agent was killed Monday in a shoot-out with three fugitives from the Islamic militant group Hamas who had been under police surveillance.

The fugitives then sped away in a car and ran over an 8-year-old girl, who died of her injuries, according to the Palestinian police.

The three were arrested several hours later in the Shati refugee camp in the northern Gaza Strip after another

gun battle with security forces. Another Palestinian girl was injured, though not seriously, in the shoot-out.

The Palestinian police said the three men were members of Hamas's military wing, Izzedine al-Qassam.

Two of them, Raed Atair and Osama Abu Taha, escaped from Palestinian custody two months ago and are also wanted by Israel, a Palestinian security official said.

The third man was identified as Mohammed Abu Shamala.

The former foreign minister, making his first appearance to outline his program since announcing his candidacy in December, did not mention by

name the outlawed Islamic Salvation Front, formerly Algeria's biggest opposition party.

He said at a news conference, "It is important to pay attention to every initiative that helps in restoring national harmony."

The North African nation of 30 million has been wracked by violence since early 1992.



SUPER AGAIN — John Elway celebrating his second straight Super Bowl victory after his Broncos defeated the Atlanta Falcons, 34-19. Denver used a strong offense and three interceptions to win. Elway passed for 336 yards and scored the final Bronco touchdown. Page 18.

See CLINTON, Page 4

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DAOLIN, China — "He was just an honest farmer," said the widow of Zhang Huangli, speaking bitterly in her dirt-floor farmhouse about the death of her husband on Jan. 8.

On that day, here among the rice paddies and

scrubby pine groves of Hainan Province, thousands of

farmers — more than 10,000, participants claim —

streamed from the surrounding hills to the government

office in Daolin, a town of a few thousand. They came to

demand an end to what they consider excessive

taxes and corruption by the local Communist Party

officials who rule over them.

But the rally, possibly one of the largest farmer

protests in China in recent years, was quickly crushed.

Mr. Zhang was killed by an exploding tear-gas canister

fired by riot policemen. Scores more people were

injured by the gas or by clubs, witnesses said.

Eighteen people were detained for one or two days,

a participant said in an interview here, and four leaders of the protest escaped arrest and have been sought ever since, with reward posters plastered on village walls by the police and torn down by angry farmers.

The rally, called by a two-year-old illegal organi-

zation of local farmers, was one of many similar

protests that have erupted in rural areas around the

country. Like most others, it was completely un-

reported in the Chinese media, and rural protesters

have rarely had a chance to describe their grievances

to the outside world.

Along with the ire of unpaid urban workers, boiling

resentment in the countryside is a major source of the

social instability that has recently preoccupied China's

leaders. The rampant discontent seems less to reflect

any new crisis than it does the slow grinding down of

farmers who have long been known for their ability to "eat bitterness."

But multiplied across rural China, where two-thirds

of the country's people still live, the alienation of

farmers — whom Mao Zedong once called "the main

force in the revolution" — poses a long-term chal-

lenge to Communist Party rule.

The simmering conflict in Hainan is a particular

embarrassment for the party because Hainan is the

birthplace of Mao and other top leaders, including the

current prime minister, Zhu Rongji.

Adding further to the sense of disorder, in the last

month Hainan was also the site of two unsolved bombings — one on a bus in the provincial capital of

Haikou that wounded 37 and the other in the southern town of Yizhang that killed 8. But there is no evidence to link those events to farmer or worker protests.

Daolin township, an administrative area of about

50,000 people scattered in many villages, is neither

Brazil Needs IMF Money Urgently, Soros Warns

Schroeder Lashes Out At Speculators And Calls for Regulation

By Jonathan Gage
International Herald Tribune

DAVOS, Switzerland — The in-

vestor George Soros urged the International Monetary Fund on Monday to immediately provide emergency funding to Brazil to prevent the collapse of its currency and banking system.

"Brazil is in a very acute situation, because on Friday you effectively had the beginning of a run on the banks and a run on the currency," Mr. Soros said at the World Economic Forum here.

"This is the moment, I don't think there is a great deal of time, really," said Mr. Soros, who has made billions of dollars speculating in financial markets while pursuing philanthropic interests around the world.

Germany's new chancellor, Gerhard

Schroeder, addressed the same confer-

ence of many of the world's financial

and political elite, issuing an attack on

financial speculators and calling for re-

forms.

"Speculative capital movements," he said, help "drive national and international exchanges — indeed, entire national economies — to the brink of ruin and cause precarious instability in many parts of the world."

"If even George

THE AMERICAS

Budget 2000: Clinton Adds Billions in New Spending

Compiled by Our Staff From Dispatches

WASHINGTON — President Bill Clinton released a \$1.766 trillion federal budget blueprint Monday for 2000 that proposes billions of dollars in new spending while preaching fiscal conservatism.

"Last year, for the first time in three decades, we turned red ink to black," Mr. Clinton said Monday at an appearance at the White House. "Our economic house is in order and strong."

His budget plan asks Congress for substantial new money for scores of domestic programs popular with liberal and middle-class constituencies, from urban housing vouchers to new classroom construction.

"But Mr. Clinton, taking advantage of falling federal tax receipts, also proposes large spending increases for cherished Republican priorities: the military, local police and small business."

The president's plan envisions a budget surplus of at least \$76 billion for the current fiscal year, \$117 billion for fiscal year 2000, and much larger surpluses stretching as far into the future as government forecasters can see.

The health of the U.S. economy and overflowing federal coffers allow Mr. Clinton the luxury of indulging in large new "investments" in politically popular labor, education, health care and environmental projects while cloaking himself in fiscal prudence by proposing to use budget surpluses to reduce the federal debt.

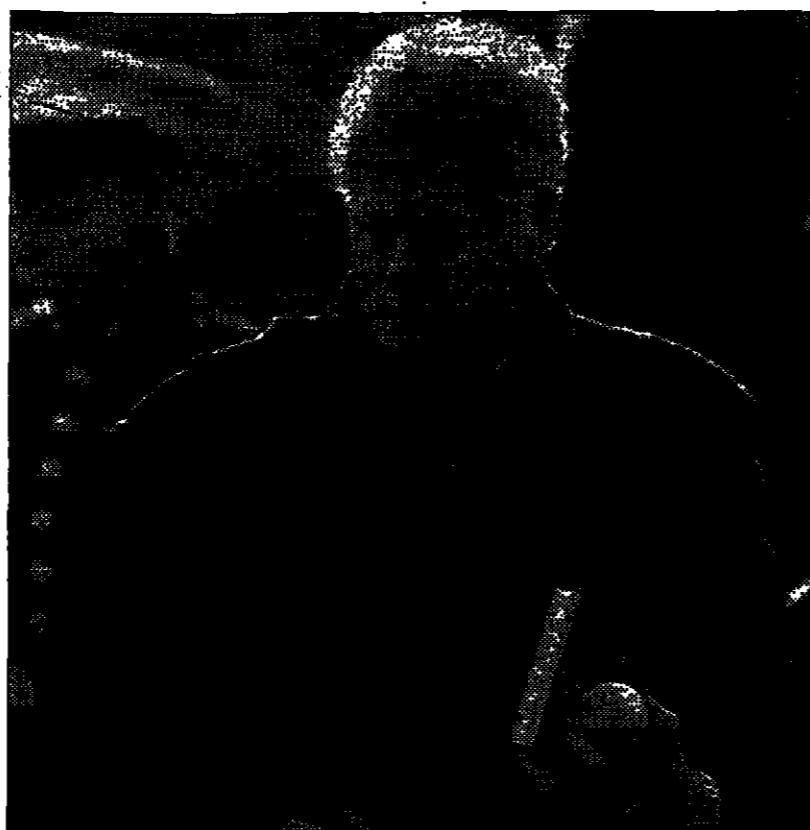
But the prospects for the president's ambitious programs are uncertain given Republican majorities in both houses of Congress and the impeachment battle.

Republicans seek an across-the-board 10 percent cut in income tax rates, returning \$600 billion or more to taxpayers over the next decade.

That, they say, is critical to keep the Democrats from creating new spending programs.

I wish this budget was something I could say I support, but frankly, I am convinced that the president has reinvented the era of big government, having just declared it dead two years ago," said the Senate Budget Committee chairman, Pete Domenici, Republican of New Mexico.

I believe American taxpayers have given as more of their money than we need, and we should return it to them," he added.



Bill Clinton arriving back at the White House on Monday, fresh from a trip to Camp David, where he read and played ball with his dog, Buddy.

Mr. Clinton's proposal for increased defense spending is likely to win Republican support and in fact it may be increased. His plan to provide tax credits for long-term medical care also has bipartisan support.

But many of the other spending programs are unlikely to win Republican backing at a time when limits on federal spending imposed as a result of the Balanced Budget Agreement of 1997 remain in effect.

While the president proposes to increase overall government spending by \$39 billion over this year's level, federal outlays as a proportion of the U.S. economy will be at the lowest level since 1973, 19.4 percent.

The plan raises, but does not definitively answer, the overriding economic question now before the Congress and the White House: how to adjust to a time of surplus after a generation of seemingly intractable federal budget deficits.

The plan, all of which is subject to congressional approval, is in effect a holding action until a long-term plan is negotiated to shore up Social Security and Medicare, the crown jewels of Democratic progressivism that are projected to run out of money early in the next century.

President Clinton has announced a plan to ensure the solvency of Social Security and Medicare well into the next century by reserving 77 percent of any budget surpluses to shore up the uni-

versal retirement and health-care entitlements.

An additional 12 percent of the projected surpluses is being set aside under the administration's plan for a new form of retirement account designed to increase the nation's paltry personal savings rate. (NYT, AP)

Voters Give Bill Bradley an Earful

Presidential Hopeful Makes First Foray Into New Hampshire

By Dale Russakoff
Washington Post Service

DOVER, New Hampshire — Bill Bradley's first campaign trip to New Hampshire ended in a kitchen at a Head Start center, with the man who would be president talking intently to two cooks about their families, their work, their values and their hopes for the future.

Mr. Bradley never said anything about Washington or the mess it is in. But after he left, the cooks erupted at the first mention of the subject.

"Talk about tumult!" Eve Krook, 35, exclaimed. "Turn on the TV and see what's on the whole bunch of congressmen!"

She spat out the word "congressmen" like a wad of rancid food.

Watching Vice President Al Gore, who is Mr. Bradley's opponent for the Democratic Party's presidential nomination, was not much easier, she said. "You can tell how strong a person is or isn't by how they act toward their boss. He hasn't stood up to his boss. He hasn't stood up FOR him. He just stands there."

"Show some backbone!" said Priscilla Boudreau, 47, slapping the chopping block.

This was the dynamic of Mr. Bradley's debut as a presidential candidate. He kept walking into the fabled "disconnect" that pollsters have identified between Washington and the rest of the United States.

"People are making one decision when they vote for president: Who do

they trust?" Mr. Bradley said. "Does this person have remotely the same ideas I do about life?"

Throughout his three-day trip last week, he talked about tapping "the unfulfilled potential of the American people"; about delivering politics from the influence of big money, back to people; about leading by "core convictions," including racial unity.

He recounted his rise from small-town Missouri boy to Rhodes scholar to professional basketball star and United States senator. He offered few specifics, such as where he would set the minimum wage or the defense budget or what he would do in Kosovo. He said all this would come later. And he never talked about impeachment or Mr. Gore until he was asked.

But as in the Head Start kitchen, he did not have to. Thirteen months before New Hampshire's first-in-the-nation presidential primary, the people here were more focused on venting than voting, and Mr. Bradley became a vehicle without even trying.

The more he vowed to be civil toward opponents, remain true to himself, govern for the general interest—not special interests—the more clear it became that many in his audiences had all but given up on finding these simple, civics-text virtues in national politics.

At event after event, he was approached by people who said they were looking for a way out of the lies, the partisanship, the muck of impeachment. Applause broke out spontaneously at

Plymouth High School when a man who said he was a libertarian rose to say, "I read that your integrity is beyond reproach. Keep that in the forefront!"

"I'm looking not only for someone who's bright and who carries my legislative agenda, but who's honest," said Susan Herman, a college instructor and self-described liberal, as she shook Mr. Bradley's hand at the Bagel Works in Keene.

"Right now, I've got two out of three," she said. "And I'm telling you, it's not enough." Of Mr. Gore, she said, "He's not the winds of change."

But if Mr. Bradley represents a change voters yearn for, it was unclear how and whether he could mount a campaign that galvanized voter disaffection. Although he has been a national figure since he played high school basketball, Mr. Bradley has rarely been comfortable in the spotlight.

Year after year, political observers have predicted that Mr. Bradley would run for president—and year after year he has demurred, saying the timing was not right. Now he seemed exhorted to "reach a time," as he put it, "when the inside feels right with the outside."

His inner feelings were a recurring subject in his chats and news conferences, a contrast with his cerebral-senator image. He said he was changed by his wife's struggle through breast cancer, the suicides of two friends and his near-defeat in 1990, when he remained aloof to a roiling anti-tax uprising in New Jersey. "I knew that I had led from my mind, and you also have to lead through feeling," he said.

Mr. Bradley apparently felt he had made an emotional connection here, through coffees, ambles down Main Streets and open-ended conversations. "I'm loving it," he said at one point. "I called my wife last night and said I haven't felt this way in I didn't know how long."

It was unclear whether the voters' disaffection would last until primary day—and even less clear whether it was widespread enough to pose a threat to Mr. Gore, whose network of battle-tested party activists here is said by supporters to be more formidable now than President Bill Clinton's was on the eve of the 1992 primary.

Most people who came to see Mr. Bradley said they rarely if ever have worked in presidential primaries. Mr. Bradley's limitations as a politician—his wooden speaking style, his aloofness from the often-muddy party trenches—seemed to work in his favor. "I think there's a lot of pent-up emotion for Bradley," said a lawyer, Allan Krans, 47. "He adds a new element—a nonslick candidate."

POLITICAL NOTES

The Clinton-Must-Suffer Camp

ORLANDO, Florida — For many conservatives, the failure to feel any real satisfaction in seeing President Bill Clinton humbled comes down to this: He isn't.

"He doesn't feel impeached," said Norma Adams, a Republican, attending the party's state convention here over the weekend. "I don't consider him impeached at this point, with him being so brazen and pretending everything's great in his life."

Two of Ms. Adams' friends cut in simultaneously: "He's impeached!" But they, too, said the president's refusal to cry after his whipping was eating at them as much as any other aspect of the events of the last year. "Who could be impeached and yet have their cheerleading section going within minutes?" wondered Lou Howard, 72, of Cocoa Beach. Ray Marino, a 62-year-old from Brevard County, just shook his head. "It's the arrogance factor," he said. In interviews, on conservative talk radio and in Congress, where the House managers seem increasingly testy even when they get their way, the Republican faithful come across, above all, as frustrated.

Their team scored in ways almost no one expected this

last year: The president was impeached and made to apologize repeatedly, and his wife had to dip into her blind trust to help settle the Paula Jones sexual harassment suit.

But for many here, the most enduring images of the last year include Mr. Clinton's walking around with a drum in his hand and a cigar in his mouth after Mrs. Jones' suit was dismissed in April. And they see him still, in their mind's eye, shaking hands at a party after his impeachment when several congressional Democrats joined him at the White House to provide moral support.

"That was disgusting," said Pat Bailey, a 57-year-old state committee member from Ponte Vedra Beach. (NYT)

New Jersey Governor Breaks Leg

NEW YORK — Governor Christie Whitman of New Jersey broke her lower leg in two places Sunday when she fell while skiing in Davos, Switzerland, where she was attending the World Economic Forum.

"She was on an intermediate slope and took a turn and a twist and the rest was history," said Jayne O'Connor, a spokeswoman. Mrs. Whitman had surgery at a local hospital, where she expects to remain until midweek. (NYT)

ASIA/PACIFIC

Amid Capitalists, Malaysia's Gadhafi Seeks Vindication

By David E. Sanger
New York Times Service

DAVOS, Switzerland — The world's financial commanders have had no greater nemesis in recent years than Prime Minister Mahathir bin Mohamad of Malaysia, who has banned the trading of his country's currency, denounced U.S. economic imperialism and jailed his finance minister for daring to challenge his economic prescriptions and his iron-handed rule.

So it came as something of a jolt for the world's most dedicated capitalists, gathering for an annual retreat of the financial elite in this resort town, to discover Mr. Mahathir in their midst.

He has been everywhere, behind closed doors with bankers, dropping hints that he is thinking of cutting special deals for "responsible" investors who want to move money in and out of his country.

True to form, Mr. Mahathir has been by turns charming and combative — except on one subject: the continuing corruption and sexual-misconduct trial of his former hand-picked successor, Anwar Ibrahim.

"He thought he could unsettle through street demonstrations, the way Suharto was overthrown by street demonstrations," Mr. Mahathir said at a dinner with a group of journalists, referring to the fate of the former president of Indonesia, the most

prominent political casualty here of the Asian economic crisis.

In one sense, Mr. Mahathir was lost in the panoply of luminaries here, from Nelson Mandela of South Africa to Yevgeni Primakov of Russia to the UN secretary-general, Kofi Annan, to the huge delegation of U.S. officials who sometimes cannot help sounding a bit as if they are taking a victory lap.

They arrived here just as Washington was announcing another spectacular quarter of growth for the U.S. economy that only underscored the sense among the crisis-wracked here that the global financial system was rigged for the United States' benefit.

That makes Mr. Mahathir's theories sound a lot less wild to many now than they did 18 months ago. Back then, he was still debating George Soros — the financier who is also here with a parcel of aides whispering into the tiniest of cell phones — about the dangers of currency speculators.

In a bitter debate with Mr. Soros at the 1997 meetings of the World Bank and the International Monetary Fund, Mr. Mahathir called for controls on the free flow of capital around the world, and Mr. Soros called the prime minister "a menace to his own country."

Now, Mr. Mahathir's favorite hobbyhorse — controlling capitalism's excesses, keeping small countries from being washed out to sea by the ebb and flow of billions of dollars — is the

subject of half of the seminars here in Davos.

Malaysia," he said. "Why not leave us to do the wrong things we want to do? What is this talk about freedom and independence if you say, 'I have the power to stop you, and I will stop you?'

Actually, the United States has not exactly said that. But Mr. Mahathir was directly challenged on his own turf in November by Vice President Al Gore, who at an Asian economic summit meeting in Kuala Lumpur took up the

"We feel that by doing this

we can regulate the country's economy better because we have control," he said.

In the next breath, though, Mr. Mahathir talked about relaxing the rule to allow some international investors back in — except, of course, for those nasty currency speculators.

He said one possibility was to put together "a selective listing of good and bad investors," though it was not clear who would get on the list, presumably not Mr. Soros.



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Defendant in Singapore Insists on Free Speech

Agence France-Presse

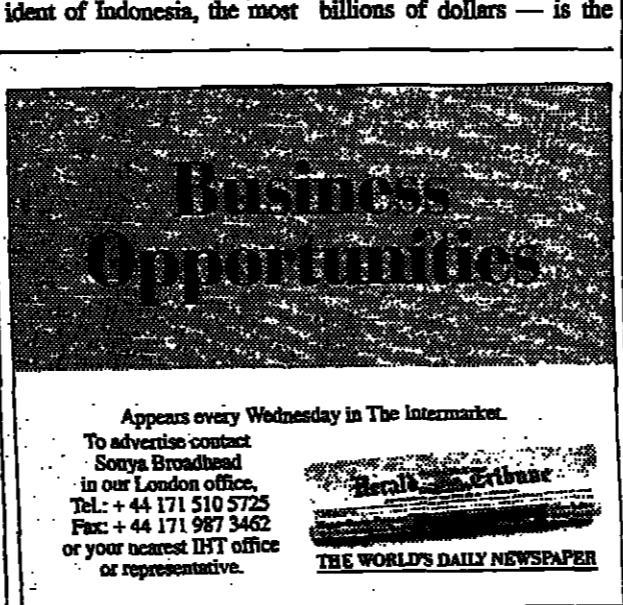
SINGAPORE — A Singapore opposition politician on trial for giving a speech without a license proclaimed his right to free expression on Monday and accused the authorities of discriminating in issuing such permits.

The politician, Chee Soon Juan, secretary-general of the tiny Singapore Democratic Party, took the stand and insisted that curbs on political activity violate his right to free expression.

Mr. Chee is charged with holding a rally without police permission in the financial district on Dec. 29. The maximum fine is 5,000 Singapore dollars (\$3,000). He risks being barred from running for Parliament if he is fined more than 2,000 dollars. He has said that he will not pay any fine, and thus faces a jail sentence.

Mr. Chee contends that the Public Entertainment Act, under which he was brought to court, violates constitutional guarantees of free speech in Singapore.

"As I understand it, a constitution is a set of fundamental principles upon which the country is governed and in that constitution it is stated that I have the right to freedom of speech, assembly and association," Mr. Chee told the court, presided over by Judge See Kee Oon.



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THE WORLD'S DAILY NEWSPAPER

INTERNATIONAL

Jailed Leader In East Timor Appeals to All To Stay Calm

Compiled by Our Staff From Dispatches

DILL East Timor — With factions in East Timor arguing over more loudly for and against independence from Indonesia, the imprisoned leader of Timor's separatist guerrillas, in a message broadcast Monday, asked both sides to stay calm and refrain from armed conflict.

Indonesian loyalists in East Timor said Monday that they were heading for Jakarta to seek arms, fearing civil war if the territory gained independence.

On the other side of the issue, about 200 youths staged a rally in the East Timor capital to press for independence as tension remained high after Indonesia's surprise announcement last week that it might let the territory go.

The protesters, some wearing headbands with "Total Independence" in Portuguese inscribed on them, went to the local parliament to make calls for a free East Timor.

The separatist leader, Xanana Gusmão, who is being held in Jakarta's Cipinang prison, said in a recorded message broadcast Monday on Portuguese state radio's Asian service that supporters of Indonesian rule and pro-independence activists "must show mutual respect."

"I want to appeal to all the East Timorese to stay calm," Mr. Gusmão said in the message recorded Sunday.

"We all have to embrace our national unity," Mr. Gusmão urged, and "avoid radicalism and learn politics."

He assured supporters of continued integration in Indonesia that they should not fear moves toward autonomy or independence for the disputed half-island territory.

"Don't fear that you will be thrown out of your jobs," Mr. Gusmão said.

Pro-Indonesian activists have warned of the possibility of civil war among rival East Timorese factions if Indonesia withdrew troops from the territory it invaded in 1975. Some pro-independence campaigners accused pro-Jakarta gangs of stockpiling guns and killing youths who refused to join them.

The pro-integration group is armed, and locals, especially the young, have been intimidated and forced to join the militia or be killed if they refuse to do so," said the independence activist Américo Araújo.

The pro-independence protesters toured the streets of Dili on Monday on trucks and motorcycles, shouting "Viva Timor Leste!" ("Long Live East Timor!"). There were no reports of trouble. (AP, Reuters)



REMEMBERING A HERO — Women with a portrait of Ayatollah Ruhollah Khomeini visiting his mausoleum in Tehran on Monday, the 20th anniversary of his return from exile to lead the Islamic revolution that overthrew the shah. Ten days of festivities are planned. (AP Photo/Mehdi/Agence France-Presse)

CHINA: Rising Protests by Farmers Provoke a Violent Response

Continued from Page 1

poor nor rich by the standards of rural China, where families squeeze out two rice crops a year on small plots of land.

Interviews with numerous farmers across the angry township suggest that resentment of local party and government officials is pervasive, linked to the multitude of taxes they levy and a sense that the officials fritter the money away with extravagant "winning and dining."

So general is the antipathy that local police have not dared to enter the villages to arrest wanted protest organizers.

The national leaders have acknowledged the threat to the party.

President Jiang Zemin, Mr. Zhu and others constantly rail against arbitrary taxes and against corruption both petty and grand. The party has also promoted elections of village leaders, intended to vent discontent and root out venal or incompetent cadres.

"We had found that the policies of local cadres ran counter to those of the provincial and central governments," the man said. The farmers charge that township and county officials have inflated the incomes of local villagers in their records, so they can levy higher taxes without seeming to offend the rules.

The real per capita income in Daolin in 1998 was 1,400 yuan, or about \$170, the man said, but officials claimed that it was 2,200 yuan, about \$290.

With the outrage of angry taxpayers anywhere, farmers said they had counted

fronton or the farmers' accusations. About two years ago, concerned farmers from several villages of Daolin formed an organization, said a man who was involved, who for fear of arrest would not allow his name to be used. Similar groups have been formed in at least 4 of the 12 other townships in the surrounding county of Ningxiang, he said.

The Daolin group was spearheaded by a man named Yang Yaqin, farmers said, who is now wanted by the local police.

The group adopted an intentionally innocuous name: Volunteers for Publicity of Policies and Regulations. The name was a sly one, reflecting the farmers' basic complaint and their strategy, which is to praise national officials and paint local ones as violators. The central government, the involved man noted, has a policy that taxes on farmers should not exceed 5 percent of their previous year's income.

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15 different fees levied by the township alone. They include a \$1.50 fee for every pig slaughtered — and, farmers said indignantly, every family is charged the slaughter tax once a year even if it has no pigs. A pig is collected for production of "special products" like nuts, even when none are grown, they said.

There are fees for animal inoculations, for school, for permits to get married or to have a baby. Then, the farmers said, there are special levies for projects like power plants and schools.

As a result, instead of paying the legal total taxes of \$8 a person per year, local farmers ended up paying \$15 a person, plus special levies. This may not seem like much to outsiders, but the farmers described the extra amount as a real burden on their meager incomes.

Those who took part in the protest here said they could stomach the extra fees they yielded benefits, but instead they just felt exploited.

"Special fund raising should be used for special projects, but the money has been wasted by the wining and dining of township officials," one farmer said. "They raised the money for this, for that, but they didn't start any projects."

Last June, the man involved in the farmer organization said, they held a large, peaceful demonstration in Daolin that prompted officials to reduce school fees.

Before the next rally, the one that ended in violence a few weeks ago, the

CLINTON: Lewinsky Under Questioning

Continued from Page 1

from the White House and Senate Democrats. "This man is on the loose, he's unreined, he's going to do whatever he wants to do," Senator Tom Harkin of Iowa, a liberal Democrat, said Monday.

A White House spokesman, James Kennedy, accused Mr. Starr of "tampering with the Senate trial," adding, "Somebody ought to tell him he's not the 101st senator."

Some Senate Republicans also deplored the timing of the report. "I thought that the timing was extremely unfortunate," said Senator Susan Collins, Republican of Maine.

Democrats accused the independent counsel of muddling just as senators of both parties have begun to say publicly that there is virtually no chance they will convict Mr. Clinton and that eventual votes on the two articles of impeachment might not even reach 50 votes, let alone the 67 needed for conviction.

Bitterness between the White House and Starr investigators has flared regularly, often at key junctures, in the time since Mr. Starr's investigation of the president began.

The Senate is now operating under a tentative timetable aimed at ending the proceedings by Feb. 12. Senators, struggling through only the second presidential impeachment trial in history, are still seeking a mutually acceptable deal to reprimand Mr. Clinton for his conduct while not removing him from office.

A Star spokesman, Charles Bakaly, denied Monday that the office of the independent counsel was the source of the Times article.

"We did not leak this information," he said. "We have no interest in impeding ourselves in the Senate's business."

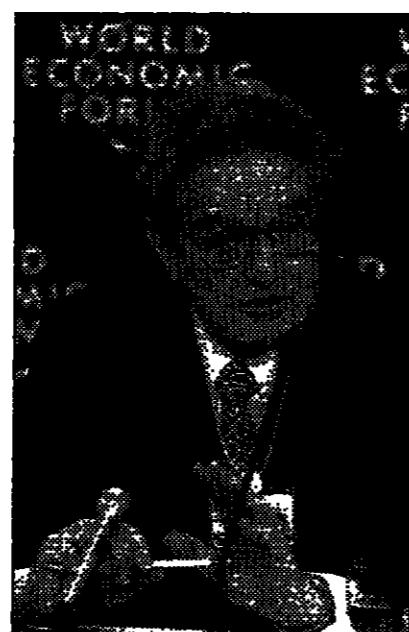
He said that Mr. Starr had not decided how to proceed on the matter of indictments. "It is premature for us to be discussing that," he said.

House prosecutors have played down the chances that their interview with Ms. Lewinsky on Monday will produce what one of them, Representative Bill McCollum of Florida, called a "big bombshell."

She has testified twice under oath to a grand jury and been interviewed 19 times by FBI agents or Mr. Starr's investigators. Still, there are areas of concern and contradiction that the Republican prosecutors want to pursue.

Hoping to buttress their charge that Mr. Clinton obstructed justice, they wanted to ask Ms. Lewinsky about the details of her discussions with the president regarding the affidavit she was to file in the Paula Jones sexual harassment case against him. They also wanted to ask whether efforts by Vernon Jordan Jr., a close Clinton friend, to help her find a job were designed to influence that affidavit.

Mr. Clinton's White House and private lawyers, like the House managers, were to be allowed up to four hours to question the young former White House intern. It was the first op-



Mr. Soros on Monday at the Davos meeting: "You effectively had the beginning of a run on the banks."

DAVOS: Soros Urges IMF Bailout of Brazil

Continued from Page 1

tion since the Asian financial crisis began in 1997, urged the IMF on Monday to take quick action in Brazil, where he also has interests.

Mr. Soros urged the IMF, acting as a "lender of last resort," to release some of the \$4.15 billion in emergency aid that has been approved by the agency to stabilize Latin America's biggest economy. But he provided no details of how this should be done.

He called Brazil's recent interest rate increases "a disastrous move."

Brazil's central bank raised its lending rate for banks Monday for the fourth consecutive business day, to 39 percent from 37 percent Friday. Higher rates have been advocated by the IMF as a means to stabilize the Brazilian currency, the real, which has fallen nearly 40 percent since the government allowed it to float freely last month.

"The currency was overvalued" before its recent plunge, he said. "But the currency, if anything, is undervalued."

MERGER: Societe Generale and Paribas to Form European Giant

Continued from Page 1

partners. Once-national banks no longer operate in insular markets but instead over a vast bloc with an economic output almost as large as that of the United States. The crises in Asia and Latin America also have put banks under strain, forcing them to consider acquisition strategies as income sources in emerging markets have dried up, analysts said.

"The restructuring of the French banking sector is at last about to take a decisive step," the French newspaper Le Monde commented Monday. Indeed, shares in French banks viewed as likely takeover targets surged in price Monday.

Some analysts said Credit Commer-

cial de France would be a prime takeover target because it was too small to survive in the global economy without a partner.

Others pointed to Credit Lyonnais SA, which the government plans to privatize after having spent billions rescuing from financial disaster.

Banque Nationale de Paris, another major French bank, now might need to look to its longtime partner in Frankfurt, Dresdner Bank AG, a powerhouse in European finance, as a potential merger candidate, said Methanor Sca, an industry analyst in Frankfurt at the B. Metzler Sca & Co. bank.

SG Paribas "represents an acceleration," Mr. Potts said. "France is a key player in the euro zone. The way is opened now for genuine European consolidation."

BALKANS: Tragedy of Bosnia From Slow Decisions Providing Lessons for Kosovo

Continued from Page 1

absent, apparently fearful of leaving his cell in Belgrade.

Associates of Mr. Milosevic have suggested the Yugoslav leader fears he has been secretly indicted by the UN war crimes tribunal in The Hague and that he therefore risks arrest if he goes to France.

Instead, the Serbian delegation will be headed by Mr. Milosevic's longtime ally, Milan Milutinovic, the president of Serbia, who is unlikely to be able to do anything without Mr. Milosevic's long-distance assent.

Second, even from Belgrade will Mr. Milosevic listen to the two co-chairmen of the conference — Robin Cook, the British foreign secretary, and Hubert Vedrine, the foreign minister of France?

First, Mr. Milosevic himself will be

delivered to Milosevic?" a Clinton official said. "I doubt it."

The Americans are planning only a mid-level delegation at the Rambouillet talks.

Third, if it is difficult to foresee Mr. Milosevic's agreeing to grant even more autonomy to Kosovo than that he stripped from the province a decade ago, what is the credible leverage against the ethnic Albanian rebels of the Kosovo Liberation Army?

Emboldened by a faster supply of better weapons than they had before, the rebels may have little incentive to settle for less than the independence of Kosovo that they seek.

The notion that NATO can establish a blockade against arms coming across the mountains from Albania is unreal. The administration has argued that

the biggest stick they have is the "credible" threat of NATO air strikes.

And with the 50th anniversary of the UN Security Council to try to prevent NATO from carrying out air strikes in the Kosovo crisis.

It was not immediately clear how the Security Council would respond. Yugoslavia's UN membership was suspended with the breakup of the old federation, and Belgrade refuses to reapply for membership. It says the two-republic Yugoslavia should inherit the seat.

The call was prompted by NATO's decision to authorize Secretary-General Javier Solana to approve air strikes against Yugoslavia if it did not respond to a summons to negotiate an autonomy deal for Kosovo.

BRIEFLY

Cyprus Sentences 2 Israelis

LARNACA, Cyprus — Two Israelis were sentenced to three years in prison on Monday after their plea of guilty last week to a charge of approaching a prohibited military area in Cyprus and possessing wireless scanning equipment without a license.

Last Friday, the two — Udi Hargov, 37, and Igal Damary, 49 — entered pleas of guilty to the charges after the prosecution dropped charges of conspiracy and espionage, apparently in a plea bargain deal. Conspiracy and espionage carried maximum 10-year jail penalties.

The Israelis were arrested on Nov. 6 at the small fishing village of Zigi on the Cypriot southern coast. They were found to have radio scanners, a laptop computer, cellular phones and eight maps of the island. The village is near military installations, including an army commando training camp. (AP)

2 Rights Advocates Slain

BOGOTÁ — Gunmen forced two prisoners' rights advocates from a bus and shot and killed them, the rights group reported.

The men were headed from Medellín to Bogotá on Sunday when their bus was stopped by two men and a woman in the town of San Luis, the Committee for Solidarity with Political Prisoners said.

The two, Everardo de Jesus and Julio Ernesto Gonzalez, were shot and killed immediately after being taken from the bus, the group said in a statement. It said they had been headed to a human rights meeting in Bogotá. (AP)

Angola Rebels Advance

JOHANNESBURG — Angola's UNITA rebel group claimed Monday that its forces had captured the small town of Tomboco, 150 kilometers (90 miles) from the coastal oil town of Soyo.



KOSOVO: Aces for Milosevic

Continued from Page 1

ceasefire from the Kosovar rebels.

And there is also a wide expectation that Mr. Milosevic will eventually authorize an interim settlement that leaves Kosovo a vague but largely self-governing entity within the formal sovereignty of Yugoslavia, as the West is demanding.

As in Bosnia, Mr. Milosevic would again become a vital guarantor of any settlement, reinforcing its international and domestic stature.

Mr. Milosevic will be able to argue that even the introduction of Western troops into Kosovo will serve to repress the "terrorism" of the Kosovo Liberation Army, to protect Serbs and their national sites and to keep Kosovo from becoming independent.

Already, on state television, Mr. Milosevic is being hailed for demanding that Kosovo must remain "part of our country." While the name of that country — Yugoslavia and not Serbia — is left deliberately vague, "one can already smell the way a settlement will be spun here," said Bratislav Grubacic, a well-connected editor.

In November, Mr. Milosevic fired key members of his inner circle, including the long-serving army chief of staff, General Momcilo Perisic, and the head of intelligence, Jovica Stanisic, reportedly at the urging of his wife, Mirkana Markovic.

At the time, Washington officials saw the purge as an indication of Mr. Milosevic's weakness and the fragility of his regime. Some thought the effective loss of Kosovo would mean the quick downfall of Mr. Milosevic.

But Mr. Perisic has not attracted supporters and Mr. Milosevic's control over the apparatus of both the federal and Serbian authorities seems enhanced, said both Mr. Grubacic and a Serbian journalist, Ljiljana Smajlovic.

"Milosevic is in great shape," Ms. Smajlovic said, having co-opted into the ruling coalition both the nationalist leader of the Radical Party, Vojislav Seselj, and the most charismatic leader of the former opposition coalition, Mr. Draskovic, who agreed to enter the federal government two weeks ago.

"Milosevic can say with some legitimacy that he has a national unity government, and, politically, he controls every institution," Ms. Smajlovic said. "The only people outside his reach are those, like students, journalists and professors, who have no parliamentary seats or institutional authority."

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From Page 1

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INTERNATIONAL

All Together Now: Ulster's Peace Effort Is Not Crumbling

By James F. Clarity
New York Times Service

DUBLIN — The Irish and British leadership and the highest-ranking officials in Northern Ireland are trying to ease fears that the peace effort in the British province is crumbling because of a dispute between Roman Catholic and Protestant leaders on the issue of disarming the overwhelmingly Catholic Irish Republican Army.

On Sunday, Seamus Mallon, the deputy first minister of the Northern Ireland Assembly, a body established as part of the peace effort, called for a compromise retreat from the "brinkmanship" that could collapse the peace effort.

Referring to David Trimble, the Protestant who is first minister under the new cooperative political arrangement,

and Gerry Adams, the president of Sinn Fein, the IRA's political wing, Mr. Mallon, a mainstream Catholic, said a solution to the dispute could be found "if they both blink somewhat at the same time."

"One of the difficulties of Northern Irish politics is that people always see the ball in the other fellow's court," he continued.

There was no blinking afterward, though. Mr. Trimble was holding to his position that Sinn Fein would not be allowed to participate fully in the assembly until the IRA begins to disarm. The IRA and Sinn Fein gave no sign that they would change their position that there would be no disarmament in the coming weeks.

On Saturday, Mr. Trimble and Prime Minister Bertie Ahern of Ireland acknowledged that the disarmament issue

was threatening to disrupt, if not collapse, the peace effort.

After meeting in Mr. Ahern's office in Dublin for 40 minutes, the two leaders agreed that, with a crucial deadline on Feb. 15 for a vote on new government structures for home rule, disarmament was still a "significant hurdle."

The meeting came after a week in which Mr. Trimble, the leader of the Ulster Unionist Party, and Mo Mowlam, the British Northern Ireland secretary, sought to keep the effort alive. Both have tried to assure colleagues and the public that the peace effort will survive the vote in February on structures that are to be put into effect by the end of March.

The new structures are intended to give the Catholic minority more power and increase the influence of the over-

whelmingly Catholic Irish Republic in the northern province of Ulster. The vote is to pave the way for Britain's return of home rule powers to the province through the assembly in Belfast, the northern capital.

In recent days, Mr. Trimble and Ms. Mowlam have addressed indications that the province was edging back into sectarian warfare. Ms. Mowlam called for an end to "punishment beatings" by Catholic and Protestant paramilitary groups, calling the beatings "atrocious, barbarous behavior."

The number of such beatings of civilians by paramilitary groups has been accelerating in recent weeks to more than 20.

Some members of the British Parliament have called for a halt to the early release of Northern Irish paramilitary prisoners from British jails, a program

being carried out under the peace effort, until the violence in the North subsides. Ms. Mowlam, with the support of Prime Minister Tony Blair of Britain, said there was no reason to curtail the early releases, and some experts say doing so would increase the potential for violence.

Mr. Trimble has vowed to keep Sinn Fein from ministers' posts in the new Northern Ireland provisional government until the IRA begins to disarm. The IRA has refused repeatedly, and Sinn Fein notes, accurately, that there is no requirement in the peace agreement approved last spring for disarmament before May 2000.

Mr. Trimble's authority is also threatened by dissident Protestant unionists who fear he will make a last-minute deal with Sinn Fein that would give it significant influence.

BRIEFLY
Slovak Aides Tied To 1995 Abduction

BRATISLAVA, Slovakia — The police in Slovakia said Monday that senior officers in the State Security Service coordinated the 1995 abduction of the son of former President Michal Kovac.

The police added that they wanted to bring charges against former Interior Minister Gustav Krajci for abuse of power in a separate incident.

Officials would not say whether former Prime Minister Vladimir Meciar himself would face charges in connection with the cases.

The abduction of Michal Kovac, whose father was an arch political foe of Mr. Meciar's, was one of the biggest political scandals in post-Communist Eastern Europe and provoked outrage at home and condemnation abroad.

The son, who has the same name as his father, was forced into the trunk of a car and driven into Austria, where he was arrested on a warrant accusing him of fraud.

Two former top security officials were taken into custody earlier Monday, and the police said they would apply for the lifting of parliamentary immunity from Ivan Lexa, who was head of the security service until becoming a deputy for Mr. Meciar's party after elections in September. (Reuters)

Turkey Presses Greece to Bar Kurdish Rebel

The Associated Press

ANKARA — Keeping up its crusade against asylum for a Kurdish rebel leader, Turkey warned Greece on Monday not to give refuge to Abdullah Ocalan, who Ankara said had landed at the Athens airport after being rebuffed by the Netherlands.

The authorities in Athens immediately denied the Turkish claim.

Earlier Monday, Mr. Ocalan was turned back by the Dutch authorities as he headed to the Rotterdam airport where 200 Kurds were waiting to welcome him. There was no indication where he had come from.

A Dutch attorney, Britta Bohler, said Mr. Ocalan had wanted to ask the International Court of Arbitration in The Hague to mediate between the Turkish government and Turkey's rebel Kurds.

Later, the undersecretary of the Turkish Foreign Ministry, Korkmaz Haktanir, said that Mr. Ocalan was in his private plane in Athens, awaiting permission to disembark.

Mr. Ocalan's quest for a base to lead his Kurdish Workers Party began last year after Turkey successfully pressured Syria into ending years of refuge for him. He left Italy on Jan. 16 after trying for two months to win asylum.

"We expect Greece to be loyal to its assurances that it would not accept the terrorist leader," Mr. Haktanir said.

In Athens, a Foreign Ministry spokesman, Theodoros Theodorou, insisted that no request had been made for Mr. Ocalan to come there. Asked whether the Kurdish leader was anywhere in Greece, he replied: "No."

Because of the often hostile relationship between Greece and Turkey, it seemed doubtful that Athens would grant refuge to Mr. Ocalan.

The Greek ambassador to Ankara, Dimitrios Nezeritis, was summoned twice Monday by the Turkish Foreign Ministry. Mr. Nezeritis repeated that Mr. Ocalan was not in Greece and that Athens would not let him in.

Turkey has issued an international warrant for Mr. Ocalan on numerous charges. (AFP)

Moldovan Leader Says He's Quitting

CHISINAU, Moldova — Prime Minister Ion Ciubuc said Monday that he was resigning because his divided center-right coalition could no longer function as a team.

"The behavior of some members of the government has not allowed to turn it into a consolidated team," Mr. Ciubuc said at a news conference. "One cannot tolerate this cabinet any longer."

Cabinet posts were distributed among nationalists and centrists who back the president.

The prime minister said his resignation statement had been sent to Parliament after being agreed to by the president and the deputy prime ministers. (Reuters)

Pope's Flu Is Laid To St. Louis Visit

VATICAN CITY — Pope John Paul II is suffering from influenza, as the Pope indicated Sunday, and this forced him to cancel his Monday audiences, a Vatican spokesman said.

The Pope caught the flu in the city of St. Louis, Missouri, said a prelate who accompanied the pontiff on his fatiguing trip to Mexico and the United States.

When he arrived in St. Louis, the 78-year-old pope was greeted by President Bill Clinton in an aircraft hangar, where the hot and stuffy atmosphere forced most people to take off their coats. (AFP)

Yeshiva Youths Insult and Jeer Reform Rabbis In Jerusalem

By Deborah Sontag
New York Times Service

JERUSALEM — About 150 strictly Orthodox Jewish yeshiva students surrounded a group of American Reform Jewish rabbis who had gone Monday to pray at the Western Wall, boozing loudly and hurling insults past a human barricade of border police officers.

Most chilling to the Americans, the youths, their faces contorted in anger under their black hats, screamed at the rabbis that they should go back to Germany to be exterminated. For Israelis, such an allusion to the Nazi Holocaust is shocking.

The students, rallied by cars with loudspeakers driving through their neighborhoods, jostled and pushed at metal gates that hemmed the men and women rabbis in an enclosure.

"They are nothing but biological Jews!" declared an Orthodox member of Parliament, Avraham Leiterson, who entered the enclosure to shout at the Americans.

What the Orthodox found particularly provoking was that men and women were praying together, which the Orthodox do not allow, also that the women, like the men, wore skullcaps and prayer shawls and that a woman, Anat Hoffman of the Jerusalem City Council, was holding the Torah.

Barely audible to each other as they sang and swayed in prayer, the American rabbis persevered through their entire prayer service.

"If a group of rabbis can't go to the Wall, then who can go?" asked Rabbi Amiel Hirsch, executive director of the Association of Reform Zionists of America in New York. "Who does it bother? Who considers it provocative? It's only provocative if you succumb to the ultra-Orthodox world view, which sees the Western Wall and all of Israel not as the heritage of the Jewish people but as a giant ultra-Orthodox syn-



Rabbi Stephen Fuchs, left, of West Hartford, Connecticut, exchanging heated opinions Monday at the Western Wall with an Orthodox Jew. The presence of women in the praying American group caused fury.

agogue."

It was the latest skirmish in a struggle that has been heating up lately between Orthodox Jews and the Reform and Conservative movements, which many fundamentalists believe to be such a dilution of Judaism that they are not the same religion at all.

"You think you are Jewish because you put on a kippah?" Meir Kraus, an Orthodox man, yelled in English, referring to a skullcap.

"This is like if I went to the Vatican with my prayer shawl. They'd find me completely nuts. You want to do a new religion? Fine. Go do it somewhere else, in Sri Lanka. Leave us Jerusalem."

The Western Wall, which is the most hallowed Jewish site, has long been a battleground between traditional and progressive Jews. The prayer area directly in front of the wall is divided into sections for men and women, as in an Orthodox synagogue, but the men's section is much larger.

The Reform and the Conservative movements have petitioned the Supreme Court for a right to hold mixed services before the Wall.

Members of Women of the Wall have sought court orders allowing them to read from the Torah and to wear prayer shawls there.

Orthodox leaders here and in the United States have successfully fought off all attempts to relax the religious rules at the Wall.

The confrontation at the Wall is in effect a showdown between Jews over the legitimacy of Reform and Conservative Judaism — the dominant movements in the United States, which are very small here.

Most Israelis are what the Orthodox here call "secular," which means that they do not belong to a synagogue or obey the rules of Jewish law, although many observe the Sabbath and most celebrate all Jewish holidays.

Last week, the chief Sephardic rabbi in Israel, Eliyahu Bakshi-Doron, lashed out at the Reform movement, saying that by sanctioning assimilation it had contributed to the loss of more Jews than died in the Holocaust.

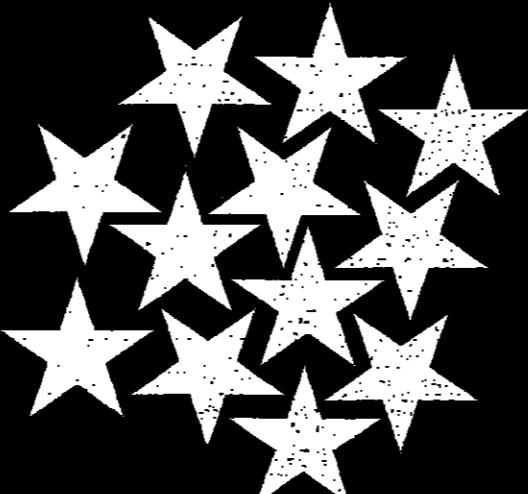
He later apologized. But it is not uncommon to hear such virulent language in Israel, and particularly references to the Holocaust, like the students' shouts that the rabbis should go back to Germany.

The confrontation at the wall also touched another sensitive issue — what many here see as an ownership battle over Israel: To whom does the Jewish homeland belong?

Many Israelis see the Jews living in other countries as vital to their existence.

Others, however, resent what they see as American meddling in Israeli affairs.

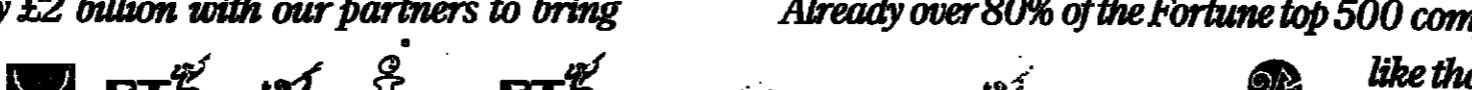
"Go back to the United States!" the students also shouted repeatedly at the rabbis.



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BRIEFS

Stolak Aides Tied To 1995 Abduction

BRATISLAVA, Slovakia — The police in Slovakia said today that senior officials of the State Security Service covered up the 1995 abduction of the President Michal Kovac.

The police added they wanted to bring charges against former Interior Minister Krager for abuse of power in the incident.

Officials would not name Prime Minister Michal Kovac himself would not say in connection with the abduction of Mr. Kovac, whose father was among Joe of Mr. Kovac's biggest political allies. A Communist Eastern Europe provoked outrage in the international abroad.

The son, who is 30, as his father was, was in the trunk of a car and driven to a bar, where he was given a warrant accusing him of being a terrorist.

Two former top officials were taken into custody Monday, and the police would apply for the parliamentary immunity of the bar owner, who was forced into service until becoming Mr. Kovac's party in September.

Moldovan Leader Says He's Quitting

CHISINAU, Moldova — Prime Minister Ion Ceban said that he was responsible for the recent center-right no longer functioning.

"The behavior of members of the government forced him to turn it into a team," Mr. Ceban, conference of the cabinet, said.

"Cabinet posts were among national issues who back the president," he said.

The prime minister's resignation statement to Parliament after the president's prime minister.

Pope's Flu Is Laid To St. Louis Visit

VATICAN CITY — Pope John Paul II is suffering from a cold, his office said yesterday, but the Pope indicated he was feeling well.

The Pope was due to arrive today in St. Louis, Missouri, where he will meet with President Bill Clinton, where the atmosphere toward him was not of their visit.

When he arrived, the 78-year-old pope was President Bill Clinton's guest, where the atmosphere toward him was not of their visit.

Mostly, the clothes looked reassuringly normal, as though all the experiments with gender-bending, techno fabrics and design gimmicks had been part of the dying century.

"It's very easy to put in frills or 10 zippers — my clothes are more of a secret club," said Paul Smith, who described hidden luxury, recognized only by the discerning, as a "clothing handshake." He said that men get fashion goosebumps from appreciating the intricacies of the handmade shirt, with its carefully crafted button holes and red stitching at the cuff, or the tactile fabrics for jackets and their vivid linings.

Most of the details that make up current designer menswear are invisible. But some of the classically looks were evident even on videotape, like Smith's crisply tailored shirts against dark-pile cord pants, a double-cream roll-neck sweater with flat Prince of Wales check pants and grainy suede patches on the arms of a sports jacket.

The concept of inward, rather than exterior opulence, has always been the creed at Hermes, where the designer Veronique Nichanian was in sporty mode and gave her collection character by showing it on men who were not models. Deer-skin and reindeer — luxury hides with a tough look — enlarged her leather repertoire, while utilitarian rainproof canvas was given a cashmere lining. If you did not know that the basic workwear shapes like zippered tops and parkas were made in succulent fabrics, you wouldn't get it. But even the on-line images showed the quality of glossy leather jackets, a suede sweater and leather pants.

Whereas Milan menswear has a homogenous look, the Paris shows are about individual designers developing original styles. Sharp cutting

INTERNATIONAL HERALD TRIBUNE,
TUESDAY, FEBRUARY 2, 1999
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JOHN LEWIS

Style

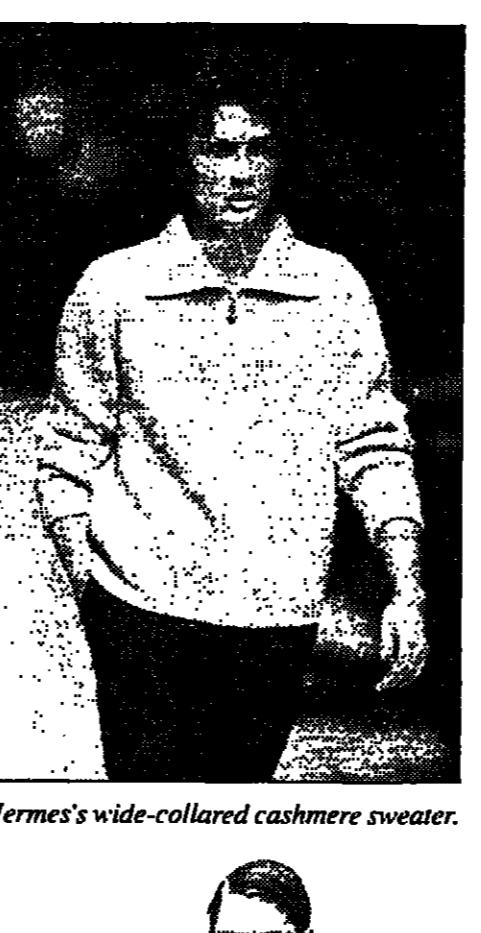
In Life After Sportswear, Luxury and Romance



Yohji Yamamoto's jazz-playing gypsy with tweedy coat and cardigan jacket.



Comme des Garcons' striped suit with Hawaiian lei as a scarf.



Hermes's wide-collared cashmere sweater.



Dries Van Noten's cut-away jacket, ribbed sleeve and rakish hat.



Paul Smith's domed tweed jacket, tailored shirt and cravat.

Focus Shifts to Opulent Detail

By Suzy Menkes
International Herald Tribune

PARIS — So there is fashion life after sportswear! Clicking on to the French menswear shows (my knee injury still forcing me to be a virtual fashion editor) I metaphorically moved the mouse to "search" and "find" sporty details.

CLICK! Two-way zipper. CLICK! Velcro tab; utility jacket; nylon parka; jogging pants. Was it a technological glitch? Was I missing something? Everything seemed to be coming up romantic: ribbons, rosettes, touchy-feely fabrics and sweet colors.

Instead of urban workwear, I saw elegant tailored silhouettes. The nearest thing to

from new generation designers was the big difference between the two fashion capitals.

The designer Hedi Slimane seems to have gotten under the skin of Yves Saint Laurent, taking the house back to the subversive, slim-line sexiness of its 1970s roots. Slimane sent out a trench coat cut like a bathrobe lapping a wet body, tuxedo coats as sharp as a knife and silky tops with a butter-soft cowl neckline.

The graphic collection, almost entirely in black, with shades of gray and a shot of electric blue, had attitude; you could imagine rock stars snaking narrow hips in the taut-cut pants and flexing muscled pectorals in the gauzy shirts. I like the idea of paradox, between the authentic fabrics and sophisticated shapes and between masculine and feminine," Slimane said. "I'm not so much for sportswear. I think it's over."

Raf Simons is another designer with a sly, modern take on tailoring. He endorsed the cape — as a tailored cloak or serape wrap. It made for powerful outerwear, along with short, sharp coats and Simons's signature sleeveless jackets and taut-hipped baggy pants.

The feeling for romance comes with tactile fabrics, feminine touches and especially with color. The Japanese designers, once famous for a black aesthetic, are creating a quiet revolution. Last season, Rei Kawakubo launched new romantic menswear with frilled linings. For fall, she followed through the theme, using soft dusty pink, cranberry, gitanne blue or lovat green for her square-cut jackets. Hawaiian leis were then tucked nonchalantly into collars or flowers spilled out from a pocket.

But what were those strange accessories: Queen Elizabeth-style silk head squares, necklaces and even tiaras? They brought a quirky sense of humor to utilitarian clothes such as zippered jackets, smartened up with pull-on overshirts or to wrap-skirts over pants. A dash of embroidered plaid, white, yellow and gold topstitching and a flash of an apricot sock were designed, Kawakubo said, to "give an overall feeling of joyfulness and happiness."

The faces of the seven gypsy groups who modeled Yohji Yamamoto's show gave character to the textured, tailored, tweedy and checkered clothes, generously cut to big proportions. Discovered by the designer at a festival for the modern dance director Pina Bausch, the gypsies also brought Romany colors: a paprika velvet vest glowing under a camel coat; a hussar red scarf against a loden green suit and pieces in shades from leaf green through burgundy. All this was used on a backlot of Yamamoto's signature tailoring and the audience rose to applaud not just the gypsy bands, but also a designer who brings poetry to fashion.

Dries Van Noten embraced romance, with cut-away, multibuttoned jackets, long tailored coats and rakish hats. Instead of the designer's familiar ethnic touches, there were ribbons tied

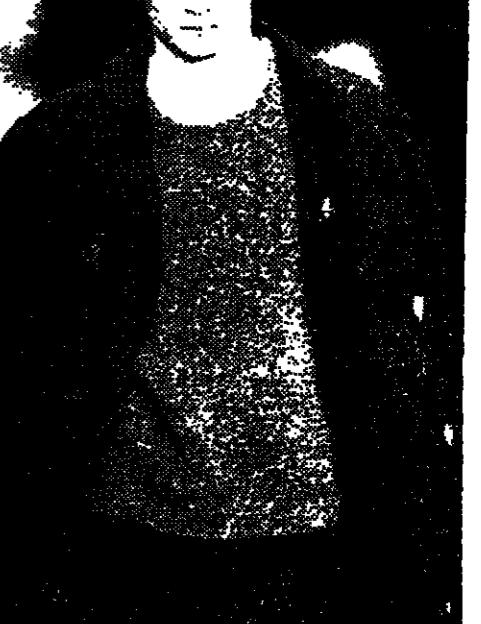


Christopher Moore/Andrew Thomas

Yves Saint Laurent's narrow belted bathrobe coat.



Above, Armani's zippered sports top with suit.



Above right, Klein's pea coat and marled sweater.



Left, Armani's chevron-striped cashmere sweater.



Klein's square-cut leather coat.

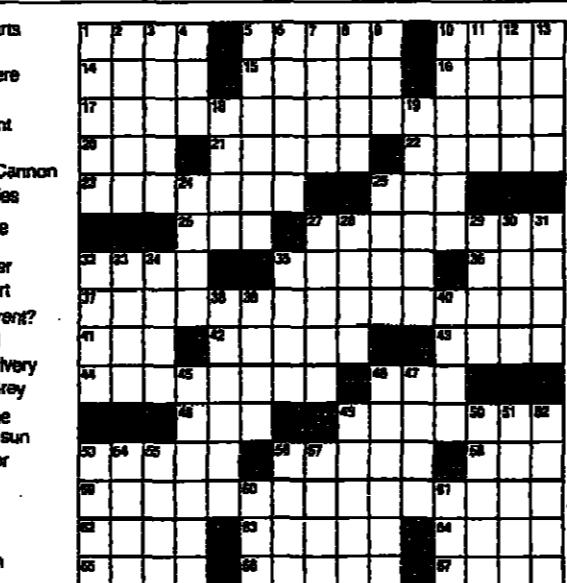
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Puzzles by Nancy Blockberg

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Democracy for Chinese

With China's economic growth now faltering, Communist Party leaders are worried that the millions of remaining rural and urban poor could become a growing source of political unrest. In recent months there have been scattered, and occasionally violent, protests by workers and farmers angered by unpaid wages, onerous taxes and official corruption. Instead of reflexively responding with repression, the government ought to follow the example of a brave township that has turned to democracy to give citizens a greater sense of control over their lives.

The collapse of Asian markets, bankruptcies of Chinese investment companies and the problems of state-owned industries have drastically slowed China's pace of urban job creation. That has all but exhausted the capacity of cities to absorb unemployed and impoverished rural residents who have poured by the millions into urban areas in the last decade. Managing the hundreds of millions of Chinese who have not yet seen the benefits of the economic growth may be the biggest challenge facing the party leadership.

A few weeks ago, some party leaders in Sichuan Province came up with an enlightened and creative response to this challenge, encouraging wider local democracy as a healthy outlet for popular discontent. They organized China's first democratic election for

township leader, in the Sichuan township of Biuyan. This is a position with important decision-making responsibilities. Previously, only politically insignificant village offices had been put to competitive votes.

Voters chose among three candidates by secret ballot after listening to 13 public debates. As it turned out, the candidate backed by the Communist Party was elected. But even supporters of his defeated opponents are pleased, noting that the government now has more democratic legitimacy.

The prospects for future township elections are unclear. Top leaders in Beijing oppose such experimentation, although perhaps not unanimously. The Legal Daily, an important national party newspaper, responded to the events in Biuyan with an editorial that praised the spirit of local democracy but noted that township elections overstepped current Chinese law.

China's most important leader, President Jiang Zemin, has meanwhile been orchestrating the arrest of prominent democratic intellectuals and their sentencing to long prison terms. Suppressing dissent and a desire for greater democracy is a tyrant's answer to public discontent, but it is not a viable long-term policy in a nation with rising economic and political expectations and increasing disparities in wealth.

—THE NEW YORK TIMES.

Intrigue in Amman

The new arrangements made for his succession by King Hussein of Jordan ratcheted up the political uncertainty in a corner of the Middle East long thought to be uncommonly stably ruled. Briefly interrupting a six-month stay for cancer treatment at the Mayo Clinic, the king returned to replace his seasoned 51-year-old brother, Hassan, with his 36-year-old eldest son, Abdullah. The new "crown prince," a career army officer, heads the special forces, a key unit in the kingdom's key institution of the military; otherwise in politics and policy he is regarded as untested.

The current agitation arises first from the approaching end of King Hussein's 47-year reign. He has made major errors, among them the opening he gave Israel to seize the West Bank in 1967 and the support he rendered Saddam Hussein in the Gulf War of 1990-1991. But overall he has served well the purpose — bringing stability — for which the British first set up his family to rule. The military runs all the Arab regimes; Jordan's is poor and prey to corruption but relatively open, consul-

tive and free of heavy repression.

Jordan's prime asset is King Hussein. By his modest, shrewd and dignified personal style and by his mostly skillful handling of his demanding neighbors (Israel, Syria, Iraq) and ambivalent majority-Palestinian citizens, he has won the West's sympathy and respect. For decades a discreet interlocutor of Israel, a country he needs for regional balancing, he made a formal peace in 1994.

Arab political society is abuzz with tales of the ambition and intrigue supposedly behind the dumping of one crown prince for another. The king himself fed the fire with sensational public charges of meddling and power grabbing against a brother who had served him as dutiful understudy for 34 years — and whose wife redecorated royal premises during the king's medical leave. Having had four wives, five sons and six daughters, King Hussein is in no position to report that palace intrigue is over. Friends of his and Jordan's must wish him good health.

—THE WASHINGTON POST.

George Washington

This year marks the bicentennial of George Washington's death, on Dec. 14, 1799, at age 67. If he seems older than that in the late-life portraits, it is because he lived a long life by any standard, when measured by the accumulation of notable events and actions. But he also seems older than chronology suggests by virtue of a historical illusion, which prevents every illustrious figure depicted in an era before photography from inhabiting the moment of his proper age.

You cannot see the true youth in Washington at 40, painted by Charles Willson Peale, nor the true age in Washington at 64, painted by Gilbert Stuart. Our kinship with the past is profound, but the past can be unimaginable. That is what makes an exhibition called "Treasures From Mount Vernon," on display at the New York Historical Society until Feb. 22, so moving.

Biography is always an act of inference, and Washington requires a little more inferring than most subjects. Apotheosis, some say, has made him hard to know. But Americans have had a lot of opportunity to think about what it means to know a president recently, and that fact makes it easier to value what we do know about his character. Most of his life, from a very young age, was lived in public. As far as the historical evidence shows, the public and private man were never in conflict, except for his frequently stated longing for his forsaken home at Mount Vernon.

Washington is more intelligible as a man with public and private vocations — statesman, general, farmer — than as a man with public and private characters. Judging by his letters and the recollections of his contemporaries, to

know him was not to catch him in some unguarded moment or some inherent contradiction of character, of the kind that Jefferson might be caught in. It was to meet him in the context of his vocations and to discover their consistency with the man, which is something we have been wondering how to prize.

"America has been almost amused out of her liberties," Washington once wrote. That is a striking sentence, and it would be interesting to know how it sounded in his own voice. The exhibition at the Historical Society is the next best thing — a distinctive gathering of Washington's possessions from Mount Vernon, some of which, like his suits of clothing, help us grasp the very modern size of this man.

Seeing his surveying tools, his pack-bags and spurs, his swords, you can almost feel the tendency of the Washington myth — composed mostly of Americans' ignorance — to exhaust the historical reality of the objects gathered here. But the reality of this man, elusive as it may be, cannot be insisted upon too much.

—THE NEW YORK TIMES.

Other Comment

Unlearning Lawlessness

Many societies do not have the cultural, social and political infrastructure a free economy requires. The most obvious expression of this deficit is the large-scale lawlessness that prevails. For a people to be basically law-abiding requires a mentality, personality and culture that took the West centuries to evolve.

—Amitai Etzioni, quoted in *The Washington Post*.

International Herald Tribune

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The News Looks Good for Emerging Economies

By David Hale

CHICAGO — A series of microeconomic failures set the stage for the financial crisis in developing countries. Developments in these critical sectors, including bank regulation and corporate governance, will determine how emerging markets recover.

The good news is that policy initiatives in Asia, Latin America, Africa and Eastern Europe in the past 12 months have aimed at correcting the factors that caused the crisis.

Many countries are opening up their financial sectors to much higher levels of foreign investment than before. Argentina now has almost half of its banks' assets in foreign-controlled institutions. Estonia's two largest banks will soon be foreign-controlled. Thailand has only just begun the process of bank recapitalization, but its financial sector will probably be at least half foreign-owned in three years. The same will probably be true of Indonesia.

Countries which restricted all forms of foreign investment, such as South Korea, are opening up to foreign capital on an unprecedented scale.

Asia will never fully embrace the Anglo-Saxon model of capitalism, but the new emphasis on transparency and openness can only enhance the ability of shareholders to influence management decision-making.

Governments of many countries hit by the crisis are adopting sensible policies to help their corporate sectors cope with recession and the difficulties of obtaining access to the global capital market. Singapore, for example, has carried out a large cost-cutting program designed specifically to bolster corporate profits, while some of its government-linked companies have an-

nounced rationalization programs to make themselves more efficient.

South Korea has repealed many restrictive labor laws to enable firms to restore profitability by restructuring.

South Africa is letting the Anglo-American group dominate itself in London to get better access to global financial markets; and it is adhering to its declared policy of privatizing large state-owned enterprises, despite the recent turmoil in financial markets.

Developing countries with high interest rates and stable exchange levels are seeking new ways of discouraging their corporate sectors from overborrowing in dollars, as Asian companies did in the first half of the 1990s.

In another significant reform, many of those countries are trying to reduce their dependence on foreign capital inflows by promoting the development of pension funds. Ten years ago, Singapore and Malaysia were the only developing countries with large pension funds. Chile followed in the late 1980s, and more recently Argentina, Mexico, Thailand, Hungary and Poland have moved in the same direction.

If this trend continues, there could be more stockholders in the developing countries than in the old industrial countries. Such a development will encourage further growth of domestic savings, and debt and equity markets.

The increase in ownership of corporate equity by pension funds will create an important new shareholder constituency that will force management to focus more attention on company profitability. In the past, Asian manage-

ments were typically accountable only to families, banks or governments.

China's equity market has grown from nothing in 1990 to more than \$250 billion today. However, many of its leading companies have had to use offshore listing in Hong Kong and New York to obtain capital because there are still exchange control restrictions on foreigners investing directly in the Shanghai or Shenzhen markets.

Chinese companies in the domestic market offer less protection for shareholders than the companies listed offshore. China will have to enhance the rights of minority shareholders at home as it develops a larger population of shareholders and investment institutions, such as pension funds.

The microeconomic reforms under way in developing countries will take several years to become fully effective. Concepts such as foreclosure and bankruptcy are still much less developed in the legal systems of Thailand, Indonesia and other developing economies than in countries which were formerly part of the British Empire, like Singapore and Malaysia. But the trend of the reforms triggered by the crisis is clear.

There will be more convergence in standards of corporate disclosure, systems of financial supervision and legal definitions of property rights between the developing countries and the industrial nations that existed before.

Such reforms cannot guarantee that the developing countries will never again experience a banking crisis, but they will greatly lessen the risk of a recurrence of the recent financial contagion. The effort of the Group of Seven leading industrial economies to turn the IMF into more of a crisis prevention

agency, rather than merely a lender of last resort during crises, should help to ensure that the structural reforms now occurring continue.

There is always a risk that some countries will try to withdraw from the international system rather than reform, but so far only Malaysia has embarked on a clearly isolationist policy. The fact that its currency has not shared in the recent rally of other Asian currencies suggests that it is unlikely to attract many imitators. On the contrary, countries that have long restricted capital inflows through special penalties, such as Chile, have recently eased those barriers.

As a result of the price declines in the past year, the emerging market countries now account for only about 6 percent of global stock market capitalization, despite the fact that they represent 42 percent of global output, 70 percent of the world's land area, 85 percent of the world's population, and 99 percent of projected growth in the global labor force during the early decades of the 21st century. Such an imbalance cannot last if those countries carry out effective microeconomic reforms.

The odds are high that the current crisis is a historic turning point. It will probably be seen as the event which laid the foundation for much stronger systems of financial supervision and protection of shareholder rights than existed before in the developing countries.

The writer is global strategist for the Zurich financial services group in Chicago. This comment was adapted by the International Herald Tribune from the latest issue of his *Global Economic Observer*.

Punish the Murderers? It Isn't as Clear-Cut as It Seems

By David Fromkin

A trial in which the accusers, prosecutors and judges were on one side, the accused on the other, was inherently flawed. Only if the vanquished could have convicted the victors as well would the Nuremberg proceedings have expressed our sense of due process.

It is not at all clear what we should think, for example, of war crimes trials in the former Yugoslavia. If atrocities were committed by 100,000 people, to pick a figure at random, and if in the end 100 were brought to trial and imprisoned, would it be a step forward, because a few of the guilty were brought to justice, or would it be a fiasco, because almost all of the guilty went free?

The Khmer Rouge leaders who ruled Cambodia in the 1970s were responsible for the deaths of more than a million people. What about the Khmer Rouge functionaries accused of having been members of the killing squads, but who claim to have acted in fear for their own lives? Are they guilty nonetheless? And if tens of thousands of these people are guilty, how as a practical matter can so large a number be tried and punished?

In Cambodia, at least, there are no distracting questions of jurisdiction. The crimes were

committed in Cambodia by Cambodians against Cambodians.

The Cambodian government and courts have the right to deal with them as they see fit.

Questions of jurisdiction continue to vex proceedings in the British House of Lords, where the question of the responsibility of Augusto Pinochet for the actions of his regime in Chile is entangled in prior questions of sovereign immunity and of the forum in which the case should be tried.

Terrible things were done in the Pinochet years. For those who fear a return to the dark days if he is harmed, it is a reason for leaving him alone.

The editor of a Cambodian newspaper recently wrote an article on the Khmer Rouge that made a similar argument.

To safeguard the living, he wrote,

"it is better not to find justice for the dead."

In dealing with the Khmer Rouge, Cambodia is

faced with questions not only of law and morals but also of politics. The welfare of the people may take priority over other considerations.

So should murderers be punished? The answer is much less clear than one might think.

The writer, author of "The Way of the World: From the Dawn of Civilizations to the Eve of the Twenty-First Century," contributed this comment to The New York Times.

Cambodia's Past Is Its Own Business

By Adam Garfinkle

WASHINGTON — That international tribunals exist to deal with the great ugliness of Rwanda and Bosnia means to many that there is nothing odd about a replication for Cambodia. But the U.S. government's decision to seek such a tribunal is odd.

The horrors of Rwanda pitted Hutu against Tutsi, and those of Bosnia Serbs, Croats and Bosnian Muslims all against one another. The atrocities of Cambodia represented instead a nearly pure political and ideological madness, not an ethnic or religious one. For this reason, the application of the term "genocide" to what happened in Cambodia from 1974 to 1979 is improper.

This is the truest measure of the sickness that was Leninism: that it amounted to mass political cannibalism. It was the fullest expression of the socialist idea based on envy and demands, which demands endless social leveling to satiate envy. Leninism militarized this basic impulse, and the Maoism evident in Cambodia ruralized it.

The phenomenon of Communist revolutions eating their own is simply Cain killing Abel over and over again.

And what business is the fate of two aged and defeated killers, Khieu Samphan and Nuon Chea, to the U.S. government? Who gave the sitting U.S. administration a right to insist on legal proceedings with respect to another sovereign state?

To presume such a right is consistent with much recent American pontificating. The U.S. government sounds these days like the mother-in-law of the world, with an opinion and point of view about everything. Has no one in the upper reaches of the Clinton administration ever heard Bismarck's counsel that it is "unworthy of a great state to dispute over something

which does not concern its own interests."

This is not just bad diplomatic etiquette. It reflects an attitude defining the U.S. administration's delusions of historical grandeur — namely, that we live in "the American moment" in international history.

According to the present stewards of U.S. foreign policy, "globalization" defines the benign, transformative marriage of American power and values in the world as a whole. America has become not only the "indispensable nation," as the secretary of state puts it, but also, in its own eyes at least, a power so uniquely benign that it arrogates to itself the right both to make the rules of international order and to excuse itself from being bound by them.

Thus has evolved a double standard wherein Americans find it natural to insinuate themselves into the affairs of others but cannot imagine others doing the same in theirs.

Implicit in the proposal for an international tribunal to deal with Cambodia's historical travails is the assumption that Cambodians are incapable of conducting their affairs. Not only is this assumption untrue, it is destructive.

For years, Cambodia's problems have been compounded by its factions trying to trick and tease foreigners into coming to their exclusive aid. To continue this practice is to further infantilize Cambodian politics.

economics

other than merely a lender during crises, should help continue.

It is always a task that will try to withdraw from the system rather than to do so for only Malaysia can it clearly indicate that its currency is not in the recent calls of economists suggests that the largest many initiatives that have been taken so far through the world, such as Chile, have been

reduced the price of oil and the emerging market account for only about 10 percent of global stock market capitalization. The fact that they represent 70 percent of global output, 70 percent of a land area, 80 percent of population, and 90 percent growth in the global economy. Such an imbalance can be seen in the early days of the century. The turning point is the event which led to much stronger financial supervision and a shoulder righted that the developing countries

global strain on the financial system was the International Herald Tribune's issue of its Global

It Seems

aced with questions of law and morals, but also politics. The welfare of people may take priority over consideration.

So should ministers be asked? The answer is straightforward: that you can't

The writer is a member of the World Bank's team of economists on the International Monetary Fund's staff. He contributed this article to The New York Times

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Yavlinsky Thinks Russia Could Help With Missiles

By William Safire

DAVOS, Switzerland — With Russian inflation running at 100 percent a year, Prime Minister Yevgeny Primakov told a little joke about being forced to accept demands to be disclosed next week by the International Monetary Fund.

"A man is asked a letter from his wife," he said at the World Economic Forum. "He opens it and the page is blank. 'How can that be?' he said. 'It's all right,' he replies. 'We don't talk.'"

He had begged Al Gore to loan him the IMF's repayment delay and new loan and was turned down for good reason: The former spymaster has no economic plan to deal with endemic corruption beyond "optimizing the prison population."

But if Russia goes under, 30,000 nuclear missiles and the scientists and engineers behind them go on site. The nation is not "too big to fail"; its population is smaller than Indonesia's and is slumping toward half that of the United States, but the albatross in its collapse could be dangerous.

The outcast of pompous Russian reformers and Yeltsin bureaucrats had to piece around this Alpine conclave is absent. Now, a skeleton crew of Mr. Primakov's broken winged hands about deviation and default, in contrast to the single, long-time voice of opposition in the plan and self-confidence turn Russia around: Grigori Yavlinsky.

The economist, a former pragmatist, 47, is the last democratic reformer left standing. That is because he ignored his Yeltsin's seductive revolution and instead built a grassroots party. In December's parliamentary elections, his Yabloko will grow, and running for president in 2000, he will at least be a shaggy dog.

Western Kremlinologists no longer hoot in alarm when I say that they saw it's time to make possible Mr. Primakov's temporary ascension. Mr. Yavlinsky insists it was the only way to ensure free elections after Yeltsin, but the power-hunger Mr. Primakov may have other ideas.

Mr. Yavlinsky preaches the need for "big love" to top American officials, to get Washington to accept Russia's IMF requests without new IMF cash infusions. Regain the confidence

The New York Times

BOOKS

DIVINING ROD

By Michael Knight. 196 pages. \$25.95. Dutton.

Reviewed by Carolyn Banks

THE first bang in Michael Knight's first novel, "Divining Rod," is the opening sentence: "Sam Holliday was sixty-three years old when he had a snub-nosed .38 revolver to Simon Bell's chest, and pulled trigger." What follows is the why one murder, a wonderful telling, from various characters' viewpoints, of how lives of Holliday and his victim came such a pass.

It is an odd and touching novel, unassuming, cumulative in effect. The book is set in Sherwood, Alabama, along speaking Fines Road, where Simon's young lawyer, has returned to the boy of his parents, seven years dead. The place has long stood empty, and hasn't changed since Simon's childhood, right down to the next-door neighbor of Sam, the man whose lawn trimmers now, the man who taught him history in the 11th grade, the man who is going to kill him.

Simon's house has a swimming pool, here. Delia, Sam Holliday's wife, 20 years younger than he, comes over to do up, eventually precipitating the

murder. So with the novel's most heightened event already covered and the why of it being played out right

before our eyes, what is there for us to savor? Pleasure. There's Knight's writing, for one, understated, graceful, easy. At the same time, he is no stranger to the Southern Gothic tradition, which is to say he peoples his novel with characters whose eccentricities, at once comic and sad, are accepted and everyday.

Chief among these is Betty Fowler, an old woman who appears on the golf course night and day, divining rod in hand, searching for the gold her late husband is said to have buried. She teaches Simon about divination and he teaches her — at her request — foul language. She is lonely and he is kind, and it is largely their relation that makes Simon into a man we mourn.

Knight draws all of his characters with such sympathy that we don't blame any of them. We just watch them surrender to what Betty has described as "a tremor, a hidden pulse, like a memory of magnetic attraction." The novel is filled with overlaps and patterns and portents and ironies, large and small. It doesn't buckle under their weight because of its enormous charm — Simon, for instance, listening to the voices of lady gulls as they play, or explaining his feelings for Delia as an "excess of capacity in the heart."

Delia herself, the daughter of a man who played piano at Randa's Inn and a woman who cleaned houses, not unlike the one Delia shares with Sam, has the same absence of guile. Here she is,

pointing out the constellations to a child. "That's Party the Magic Pig. And the next one to the right is Smokey the Bear. He's the fire guy."

Delia loves her husband, but her life with him is too settled. Indeed, she thinks of the time before she was married as "when her life was still her own." She craves a "tingling at the base of her spine," and one night, in bed, she tells Sam what is missing, sort of, only to find him "flipped over on his back, his chest lifting and sagging heavily with sleep." It's after that the affair with Simon begins.

If it is just an affair, Delia and Simon share more than Delia and Sam can, and yet it is Sam that Delia chooses. We hear it from Simon. "She said she wasn't going to tell Sam about us. She believed that things could go back to the way they were before. I promised her that I wouldn't try to change her mind. It was as if we were acting out a scene from a movie, some English film where all the characters are very modern and polite and everyone understood why people did the things they do."

Knight has done what the diviners he has created have urged: "Follow your blood. Your bones know things that you don't know." The result? Every word in this deeply resonant novel is gold.

Carolyn Banks, author of a number of suspense novels, wrote this for The Washington Post.

CHESS

brilliantly helping to transform

The Rossolino Variation of the Sicilian Defense, 3 Bb5, has long been known as the embodiment of effete positivism, but nowadays many players are infusing it with exciting, unpredictable tactics.

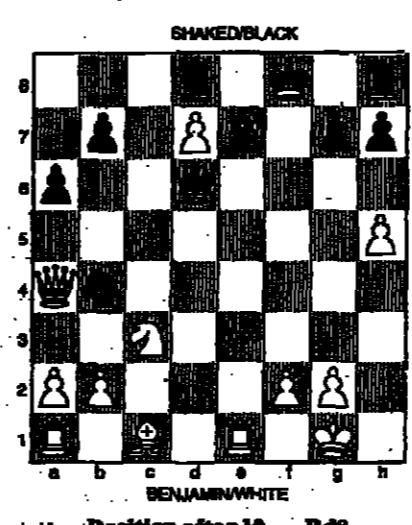
After preventing doubled pawns with 4... Ng6, Shaked at once switched strategy with 5... Ng6, placing the knight where, on 6 Bb6 bc7 c5, he could exert strong pressure in the center with 7... f6. And Benjamin, in playing 6 c3, aimed for a classical center with 7 d4.

Shaked should have played either 6... a6 or 6... Be7, but he played 6... d5?, underestimating, or not even imagining, Benjamin's novel 7 Qa4!, which caused Black to lose a tempo by 7... Qd6.

On 9 d4, it would have been dangerous for Shaked to develop with 9... Be7? because 10 c4 Qd6 11 d5! ed 12... Qd5 13 Nc3 Qd6 14 Bg5 O-O 15 Rad1 16 Nc5 is crushing.

Benjamin's sharp 12... Qd4 gave Shaked the greatest difficulties: 12... Nb4? loses a piece to 13 Nb4 Bb4 14 d5! 12... O-O 13 Nb4 14 d5 ed 15 Bb4 Qd8 16 Rad1 Be7 17 Be4 recovers the sacrificed pawn with advantage.

But after 12... Bb4? 13 h5 Nf8, Benjamin blasted open key lines in the center with 14 d5! If 14... ed, then 15 Bb4 Qd5 16 Rad1 Be7 17 Nd5 Bd5 18 b4 Qb4 19 Rad1 Ne6 20 Be3 Qc7 21 Ne5 Rb8 22 Qd7 yields White a pawn and



Position after 19... Rb8

OPINION/LETTERS



NYSE

Monday's 4 P.M. Close

The 2,300 most traded stocks of the day.
Noticemobile prices not reflecting late trades elsewhere.

Not nationwide prices not reflecting late trades elsewhere.
The Associated Press.

THE ASSOCIATED PRESS

Continued on Page 17

Helping the world
communicate BT

A Will Selling for K. Insuree

Thinking Ahead

EU's Parliament

Language Reflects the Order

W

20



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Rise of the Net Brokers

The Big Guys on Wall Street Take Notice As the Silicon Valley Upstarts Innovate

By David Barboza
New York Times Service

NEW YORK — In a new world order that is melding Wall Street and Silicon Valley, the business of buying and selling stocks for smaller investors is being shaped as much by lesser known on-line brokerage firms as it is by the big brand-name firms.

While Charles Schwab & Co. and E*Trade Group Inc. have established themselves as the most recognizable on-line names, the fastest-growing firms are Waterhouse Securities, a discount broker turned on-line provider that does relatively little advertising, and Datek Online Holdings Corp., a broker that caters to what some in the business call "hyperactive traders."

That, analysts say, is another hint that when it comes to the retail market — that is, smaller investors — the shape of things to come may be trickling up from below.

"All the big Wall Street firms are looking at how these companies are shaping on-line trading," said Bernard Madoff, a member of the Securities Industry Association, which represents many of the big investment houses. "Nobody at this point can or should ignore it; it's not a passing fancy."

So while on-line trading grew by a record 34 percent in the fourth quarter, according to a study by Credit Suisse First Boston, a number of large banks and Wall Street firms have been trying to find ways to buy into that success.

Very briefly:

• Moody's Investors Service Inc. lowered Sharp Corp.'s credit rating to A-2 from A-1, predicting that weak consumer spending and tough competition would reduce the Japanese company's sales of its liquid crystal displays and related products.

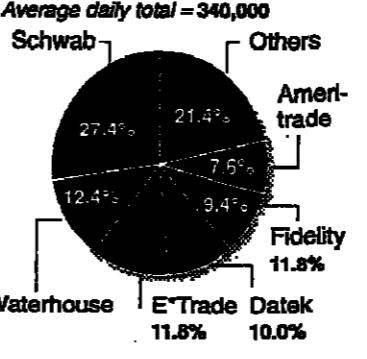
• Australian fund managers are turning to smaller industrial stocks, and particularly growth stocks, according to a survey.

On-Line, No Shortage of Brokers

The on-line brokerage industry, which now handles about one in seven stock trades, is becoming increasingly competitive. Upstarts, such as Datek and Waterhouse, have begun to challenge established firms, such as Schwab and E*Trade.

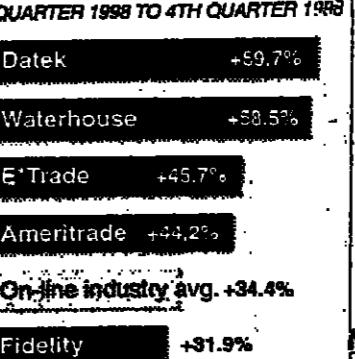
SHARE OF ON-LINE TRADES IN 4TH QUARTER 1998

Average daily total = 340,000



Source: Credit Suisse First Boston

CHANGE IN TRADE VOLUME FROM 3D QUARTER 1998 TO 4TH QUARTER 1998



But no one doubts that Island has become a force in the industry, one big enough to attract the interest of E*Trade, which, executives close to the company say, was at one time in talks to either shuttle its trades through Datek's system or acquire the subsidiary that had been spun off.

Datek officials have denied any wrongdoing and called such accusations "baseless and defamatory."

Analysts say smaller companies such as Datek have been leading the push toward faster, more efficient trading technologies. Datek is now considering registering Island as an independent stock exchange with the Securities and Exchange Commission. If the SEC approves this, some analysts say, Island could further reduce transaction costs and possibly even generate stock-quotation revenue that now goes to the Nasdaq market.

Joseph Ricketts, president of Ameritrade, one of the largest on-line brokers, says Ameritrade is also considering linking up with an electronic communication network, or ECN.

"If you register as a stock exchange, you can charge for quotes," he said. "The Nasdaq and the New York Stock Exchange make hundreds of millions of dollars selling quotes. That money doesn't belong to the exchanges; it belongs to the customers. One way we can get it back is through an ECN."

Morgan Stanley Dean Witter is tapping into the market through its on-line subsidiary, Discover Brokerage; Merrill Lynch & Co. is planning its own on-line operation, though not so geared toward active trading; and Goldman, Sachs & Co. and E*Trade recently joined forces to invest \$50 million in Archipelago, a computerized system that electronically matches stock trades.

The system is not unlike Island ECN, an electronic communication network developed by Datek. Trading volume in Island — which some call an electronic stock exchange — has been explosive in the past year. It is many times the size of Archipelago, analysts say, and according to the Nasdaq stock market it is the leading trader in such stocks as Yahoo! Inc. and Amazon.com Inc.

"All this Internet technology has been developed on the edge of the market, and now it's moving to the core," said Bill Burnham, an analyst at Credit Suisse First Boston.

Executives at Datek say that Island, which gets much of its business from active day traders, or speculators, now accounts for about 10 percent of all Nasdaq volume. Datek says it is gaining on Instinet, the electronic system owned by Reuters, which matches institutional trades.

Instinet officials, however, say there are numerous complications in connecting stock trades. A spokesman, Terry Mulry, said that Instinet's market share in Nasdaq has remained consistent over the past few years.

On-line brokers such as E*Trade are moving toward more mainstream customers whose trading activity may be more steady and less volatile.

"It's not uncommon for day traders to trade 60 times a day," said Mr. Madoff, who also operates Bernard L. Madoff Securities, a market-making firm. "This is not investing — it's a casino mentality. Very few Wall Street firms want to be involved in on-line day-trading. There's a lot of risk

involved."

Datek has another problem.

Last May, the Manhattan district attorney's office said it was investigating whether Datek had taken part in a money-laundering operation as well as other possibly fraudulent activity related to a day-trading subsidiary that had been spun off.

Datek officials have denied any wrongdoing and called such accusations "baseless and defamatory."

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ASIA/PACIFIC

Sony Units Central Bank Moves to Speed Korea's Recovery Target U.S. Software

Copied by Our Staff From Dispatches

SEOUL — South Korea's central bank pledged policy measures Monday to pull the country out of recession, as trade and inflation figures offered tangible hope that the economy was finally emerging from crisis.

A jump in imports in January indicated a possible rise in domestic demand, a key engine of recovery, while inflation eased slightly last month amid central bank predictions it will be slashed in half this year.

Chon Chol Hwan, governor of the Bank of Korea, vowed to lower money market rates and curb the rapid rise of the won in an effort to promote economic recovery.

To support the recovery of the real economy and promote stability in the foreign exchange market, the Bank of Korea, for the time being, will maintain its policy stance of favoring lower market interest rates," Mr. Chon said.

As he spoke, a flurry of economic indicators offered hope that the 14

months of economic crisis could be nearing its conclusion.

Prices fell a marginal 0.1 percent in January from December, the first drop since 1968, although inflation was 1.5 percent for the year.

The country also recorded a trade surplus of \$695 million last month, with exports registering a third consecutive month of growth. The surplus totaled \$1.51 billion a year earlier and \$4.19 billion in December.

Crucially, imports rose for the first time since South Korea received a huge bailout from the International Monetary Fund in December 1997. Imports rose 15.4 percent in January from a year earlier, to \$8.6 billion, while exports rose 3.7 percent to \$9.3 billion.

The improvement signaled that industrial output was reviving and may also indicate that investment has begun recovering, analysts said.

A poll of the nation's 600 largest companies taken by the Federation of Korean Industries and released Monday showed that companies

have a positive outlook for business for February, expecting ample liquidity and an improvement in domestic demand.

The federation, which represents the country's 30 biggest industrial groups, or *chaebol*, said its business sentiment index rose above 100 for the first time in two and a half years, meaning there are more companies expecting a recovery than those that remain bearish. The index rose to 101 in February from 98 in January.

Mr. Chon warned that if the won continued to rise, the central bank would take action to cap the rise. The won has strengthened 12 percent against the dollar in the last three months, making exports more expensive.

■ POSCO Chief Assails Waste

Pohang Iron & Steel Co.'s chairman said the company had wasted 4.5 trillion won (\$3.83 billion), or a quarter of its total assets, in investing in misguided projects at home and abroad, Bloomberg News reported.

"These unnecessary investments reflect a dark side of the Korean economy — the damage done by authority," said Yoo Sang Boo, chairman of POSCO, as the world's second-largest steelmaker is known.

The rare admission by a top executive at a state-run company reflects South Korea's changing corporate environment. Years of over-expansion by major South Korean companies played a part setting off the nation's financial crisis in late 1997.

The projects in which POSCO "should not have invested or misjudged the timing" include mini-mills and blast furnaces in Kwangyang in the southern province of Cholla and in Indonesia, Mr. Yoo said.

POSCO plans to sell those plants or form joint ventures with foreign partners during the next three years, Mr. Yoo said. Such steps are part of the government's privatization plan. (AP, Bloomberg)

Investor's Asia

Hong Kong	Singapore	Tokyo
Hang Seng	Straits Times	Nikkei 225
11000	1550	17000
10000	1400	16000
9000	1250	15000
8000	1100	14000
7000	950	13000
6000	800	12000
S O N D J F	S O N D J F	S O N D J F
1998 1999 1998 1999 1998 1999	1998 1999 1998 1999 1998 1999	1998 1999 1998 1999
Exchange:	Index:	Monday
		Close
Hong Kong	Hang Seng	Prev.
		%
Singapore	Straits Times	Close
		Change
Tokyo	Nikkei 225	
Sydney	All Ordinaries	1,406.57 1,428.14 -1.48
		+1.03
Tokyo	Nikkei 225	14,465.18 14,489.25 -0.23
Kuala Lumpur Composite	Closed	581.43
Bangkok	SET	358.84 363.00 -1.15
Seoul	Composite Index	581.67 571.43 +1.79
Taipei	Stock Market Index	5,952.79 5,998.22 -2.26
Manila	PSE	1,969.99 1,954.15 +0.81
Jakarta	Composite Index	409.11 411.33 -0.68
Wellington	NZSE-40	2,209.45 2,178.53 +1.37
Bombay	Sensitive Index	3,265.91 3,315.57 -1.50

Source: Telekurs

International Herald Tribune

Bloomberg News

TOKYO — Sony Corp. is taking legal steps to block a U.S. company from selling software that allows Macintosh computers to run games designed for Sony's PlayStation, the world's best-selling home video-game console.

Two subsidiaries of the world's second-largest consumer electronics company, Sony Computer Entertainment Inc. and Sony Computer Entertainment America, last week filed a lawsuit against Connectix Corp., based in San Mateo, California, alleging infringement of copyright and intellectual property.

Connectix's Virtual Game Station emulation software "violates valuable intellectual property" because it "does not accurately emulate the PlayStation gaming experience," a statement released by Sony Computer Entertainment America said. Sony's U.S. video-game unit also charged that licensed PlayStation games may be counterfeited for use with the Virtual Game Station.

Sony's suit is aimed at companies looking to cash in on the world's largest selection of home-video games — more than 2,000 PlayStation titles will be available by March — by making them available to personal-computer users.

"If Sony lets this sort of thing go unchallenged, consumers may end up buying video games the way they buy music CDs — without regard to the hardware," said Naoko Sakaguchi, an analyst at Dresdner Kleinwort Benson Asia.

A spokesman for Square Co., whose popular Final Fantasy VII is one of 100 games that Connectix recommends as "playable" with its emulation software, echoed Sony's concern that the Virtual Game Station may encourage counterfeiters.

Connectix has denied Sony's charge and plans to ship a new version of the Virtual Game System.

The comparatively high costs were "causing many companies to reassess their activities in Hong Kong," the Trade Development Council said in a report on Hong Kong's competitiveness.

The present economic situation represents an important opportunity to place Hong Kong's prices on a more sustainable and competitive trajectory," it said.

Hong Kong, now banting its worst recession on record, has remained a high-cost economy partly because the local currency has remained pegged to the U.S. dollar while other Asian currencies have fallen in the past 18 months.

Devaluation and deflation in other economies have widened the cost differential for many goods and services," the report said, adding that a further adjustment in prices and wages may be necessary for Hong Kong to compete.

But the report said the territory remained competitive in many areas, as it was becoming a major center for local and multinational companies and a hub for business activities in China.

Hong Kong's future prosperity will depend on the ability of Hong Kong companies to maintain and improve their competitive positions and international linkages to serve local, national, regional and/or global markets," the report said.

■ General Electric Capital Corp.'s consumer finance arm is linking with Credit Saison Co., a Japanese credit card company, to issue credit cards across Japan.

■ The Paris Club of sovereign creditors has agreed to restructure \$3.3 billion of debt owed by Pakistan. The deal concerns debt due up to the end of December 2000. Pakistan's foreign debt totals an estimated \$32 billion.

■ Merrill Lynch & Co., Morgan Stanley Dean Witter & Co., Goldman, Sachs & Co. and six other investment banks are on a prospective list to advise Hong Kong on the sale of its \$20 billion stock portfolio, bankers said.

■ Sumitomo Bank Ltd. has reached an out-of-court settlement with Japan's Housing Loan Administration Corp., which was set up to collect bad housing loans by failed mortgage companies. Sumitomo admitted to introducing risky borrowers to mortgage companies and will pay \$1 billion yen (\$25.8 million) to the administration, which had sought 4.8 billion yen.

■ The Japan Automobile Dealers Association said sales of new vehicles in Japan fell 6.2 percent in January from a year earlier, to 241,511. Sales of imported vehicles rose 3.0 percent, to 15,919.

■ Tesco PLC, the leading British food retailer, is seeking to form a retail joint venture with Samsung Corp., the South Korean company said. Tesco officials had no immediate comment.

Bloomberg, AFP

■ The decision on the agenda of this extraordinary general meeting shall, at a first meeting, require a quorum of 50% of the shares issued and outstanding. Decision shall be validly made at a majority of two thirds of the shares present or represented and voting.

In case of lack of quorum at the first extraordinary general meeting, a second meeting will be convened so as to be held on Thursday March 25, 1999 at 11:30 A.M. at the same address with the same agenda, at which decision may be approved without quorum and at a majority of two thirds of the shares present or represented.

In order to attend the extraordinary general meeting of the shareholders of the Company, the owners of bearer shares will have to deposit their shares five clear days before the meeting at the registered office of the Company or with Banque Internationale à Luxembourg S.A., 69, route d'Esch, Luxembourg.

HEALTHCARE EMERGING GROWTH FUND

Société d'Investissement à Capital Variable

69, route d'Esch, Luxembourg

R.C. Luxembourg B-58078

NOTICE OF EXTRAORDINARY GENERAL MEETING

Shareholders of our Company are kindly invited to attend an extraordinary general meeting which will take place at the offices of BANQUE INTERNATIONALE A LUXEMBOURG S.A., 69, route d'Esch, L-2953 Luxembourg, on Thursday February 11, 1999 at 11:30 A.M. for the purpose of considering and voting upon the following agenda:

1. amendment of the notice period for meetings of shareholders as stated in Article 12 of the articles of association from "Notices setting forth the agenda shall be sent by mail at least eight days prior to the meeting to each shareholder at the shareholder's address in the Register of Shareholders" to "Notices setting forth the agenda shall be sent by mail at least twenty-one (21) days prior to the meeting to each shareholder at the shareholder's address in the Register of Shareholders".
2. amendment of the redemption procedure as stated in the first seven paragraphs of Article 21 of the Articles of Association to "Any shareholder may request the redemption of all or part of his shares by the Corporation subject to such advance notice as the board of directors may determine. The Corporation may require any request for redemption to be given by up to 3 bank business days notice prior to the date on which the redemption shall be effective".

The decision on the agenda of this extraordinary general meeting shall, at a first meeting, require a quorum of 50% of the shares issued and outstanding. Decision shall be validly made at a majority of two thirds of the shares present or represented and voting.

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THE BOARD OF DIRECTORS

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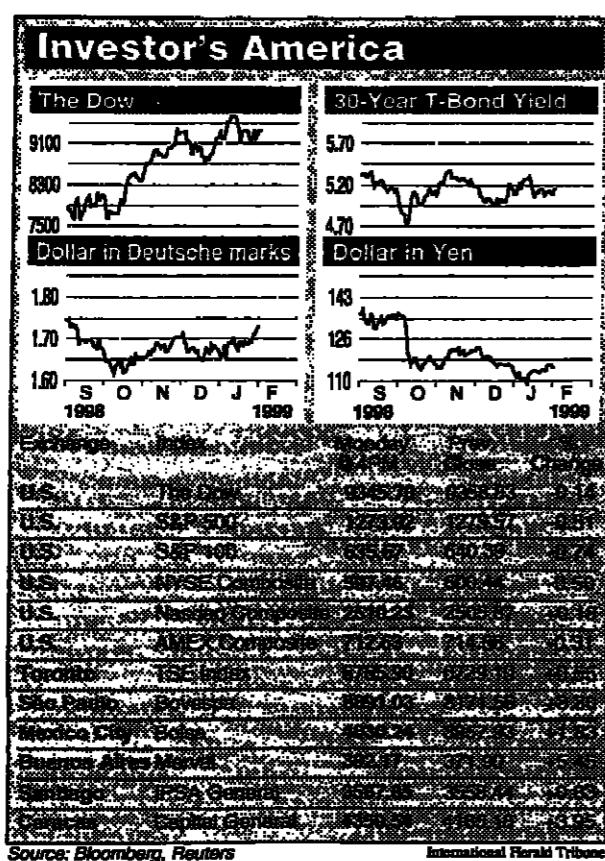
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February 1, 1999
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Source: Bloomberg, Reuters

Fed Session Röhm & Haas to Pay \$4.9 Billion for Morton

Slows Rise In Shares

Compiled by Our Staff From Dispatches

CHICAGO — Röhm & Haas Co. agreed Monday to buy Morton International Inc. for \$4.9 billion in cash, stock and assumed debt, leapfrogging past European rivals to become the world's second-largest maker of specialty chemicals.

The acquisition of Morton, best known as a manufacturer of salt, comes about a month after Röhm & Haas agreed to acquire LeRonAl, a maker of plastic additives and electronic and agricultural chemicals, for \$460 million.

Röhm & Haas, whose chemicals are used in products as diverse as shampoo and computer equipment, said it would start a cash tender offer for as much as 67 percent of Morton's common stock at \$37.125 a share.

The remaining shares of Morton, whose products also include adhesives, dyes and electronic materials, would be exchanged for Röhm & Haas shares valued at \$37.125, subject to a trading range.

The transaction includes \$268 million in assumed debt and is expected to close in the second quarter.

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J. Lawrence Wilson is to remain chairman and chief executive officer of Röhm & Haas, and S. Jay Stewart, now Morton's chairman and chief executive, is to become a vice chairman of Röhm & Haas and join the board of directors. Two members of Morton's board are to join Mr. Stewart on the Röhm & Haas board.

The acquisition would raise Philadelphia-based Röhm & Haas' an-

ual sales to \$6.5 billion from \$3.7 billion, Röhm & Haas said. It also would strengthen the company's profitable electronic-materials business and allow it to cut costs by as much as \$200 million a year as the specialty-chemicals industry consolidates amid falling prices and lower demand from Asia.

"The specialty-chemical industry worldwide is suffering from volume declines, and the only way to get past that is through acquisition," said Chris Crooks, an analyst at Janney Montgomery Scott.

Röhm & Haas shares rose 75 cents to close at \$31.75, while Morton jumped \$9.75 to \$35.625.

Specialty chemicals are typically added to other substances during manufacturing to improve characteristics such as durability, color and

(AP, Bloomberg)

U.S. Economy Lifts Dollar

Bridge News

NEW YORK — The dollar rose against the euro Monday as many investors concluded that European economic growth was no match for the roaring U.S. economy.

The strength of the U.S. economy, as demonstrated by the report Friday that U.S. gross domestic product expanded 5.6 percent in the fourth quarter, was highlighted Monday by signs that the U.S. manufacturing economy was beginning to turn around.

The National Association of Purchasing Management said its index of U.S. manufacturing activity rose to 49.5 in January from 45.3 in December, the first increase in four months.

Heightening the optimism, the White House gave an upbeat assessment of the U.S. economy, predicting that the economy would grow 2 percent this year.

Meanwhile, weak European growth prospects and persistent talk of European interest-rate cuts continued to hound the euro one month after its introduction.

"The market is looking for lower rates in Europe and higher in the U.S. to reflect the respective states of the economy," said Hugh Walsh, a trader at Commerzbank in New York. "Those who have been bottom-

fishing euro have been disappointed."

Still, supporters of interest-rate cuts in Europe were again stonewalled by official denials. The president of the European Central Bank, Wim Duisenberg, said again

FOREIGN EXCHANGE

over the weekend that he saw "no reason" to change the ECB's current 3 percent refinancing rate.

As European labor unrest is again in the spotlight, DTW, a leading German economics institute, said a 3 percent wage increase in German trade and industry would be appropriate, compared with the 6.5 percent the IG Metall union is demanding.

The U.S. Treasury secretary, Robert Rubin, rubbed salt into the euro's wounds, urging Europe to bolster domestic demand-led growth.

"Until the currency finds its own equilibrium level, the euro will fall further," Mr. Walsh of Commerzbank said.

The euro fell to \$1.1300 in 4 P.M. trading from \$1.1416 on Friday. The pound fell to \$1.6412 from \$1.6460.

The dollar fell to 115.05 yen from 116.42 yen. But it rose to 1,4217 Swiss francs from 1,4150 francs.

MUSIC: Free Tunes on the Web

Continued from Page 11

beats and countless mouse-wielding music fans.

"All we're trying to create here is the structure by which the content would be labeled in a consistent fashion, to serve whatever business model emerges in the future," said Cary Sherman, a senior vice president and general counsel for the Recording Industry Association of America, which represents labels that account for 90 percent of the U.S. market.

European and Asian recording-industry trade groups support the initiative, along with hardware and software companies including Microsoft Corp., International Business Machines Corp., America Online Inc. and AT&T Corp. To avoid antitrust problems, any standards adopted would be voluntary.

Howard Singer, chief technical officer of A2B Music, an AT&T unit that produces digital distribution software, acknowledged that the pressure was mounting. "Every day that ticks by, there's good news and there's bad news," he said.

"The good news is that the potential client base for secure digital distribution is growing. The bad news is that they're also getting used to not paying."

Despite the urgency, some participants say the process could drag on past Christmas. "These are all highly charged, very competitive companies," said Gerry Kearby, chief executive of Liquid Audio, which makes its own software for encoding and playing back music on the Internet and has already amassed a large catalog of digitally distributed music. "We won't be surprised if the process takes a little longer than announced."

The labels, of course, are already using the Internet to sell conventional products — compact discs and cassettes — through on-line retailers such as CD Now, N2K and N2K.com.

That business is expected to exceed \$280 million this year, according to Jupiter Communications, a new-media research company. But the Secure Digital Music Initiative is planning for an era when many consumers will be buying music as downloaded computer files rather than as discs and tapes.

With a uniform standard, embodied in computer codes that all the major recording companies would use, consumers could receive best-selling music directly through modems and play it back using one kind of software.

Once the labels agreed on a standard, a fan could jump to a top band's or a label's Web site, bill the purchase through a credit card and download a song or an album, saving it to the computer's hard drive, recording it onto a CD or transferring it to a memory chip in a portable player. (One such portable device is already on the market.)

In turn, the recording company would know where the music had been sent, could specify whether or how often it could be copied and could tabulate royalties and sales.

Until such a standard is developed, the labels that own rights to recordings are unlikely to make their catalogs available for digital distribution. But while the major labels have hesitated, many of their holdings are already traveling the Internet as files compressed into manageable size via MP3.

This software format — whose name is shortened from an engineering designation known as MPEG-1, Layer 3 — makes it practical to send full songs relatively quickly over the Internet. Independent labels and individual musicians have made their music available in the MP3 format, but the major labels are alarmed by MP3 because the files can be copied without restriction, even sent as e-mail. The vast majority of MP3 songs circulate free of charge. Some musicians encourage this practice. Others shun and tolerate it.

"MP3s of my music are all over the network," said the rock songwriter and performer David Bowie. "Things that are embarrassingly cringe-making things that I swore never would see the light of day, they're completely available."

Mr. Bowie has founded his own Internet service (www.davidbowie.com), whose members have on-line access to rare Bowie music and videos. He said he was considering making some new music available for downloading as MP3 files but that he had a recording contract with Virgin Records, which he said was "ambivalent" about the idea.

Mr. Bowie himself is ambivalent about the industry's Secure Digital Music Initiative. "I'm not sure about uniform standards," he said. "They've never appealed to me. And however much they try and move in that direction, it ain't going to work. Quirkiness and decentralization are what define the Internet, and the idea of trying to formalize it and police it is abhorrent. The Internet is so volatile and idiosyncratic that whoever tries to police it will be beaten."

The recording companies are intent on developing software coding standards that would specify what consumers can do with the music they download. Some songs may be available to be copied at will, or copied once, or not at all; some may be listened to for a day, or a week, or forever. Other codes would direct royalties to the appropriate recipients — a particularly tricky process when the global Internet meets contracts that change at national borders.

Exxel and Promodes to Add Argentine Stores

Bloomberg News

BUENOS AIRES — Exxel Group of Argentina and Promodes SA of France said Monday they would spend \$1.23 billion to buy a supermarket chain and add 60 outlets in Argentina, creating the nation's largest retail chain.

Exxel and Promodes agreed to spend \$630 million for Casa Tia, Argentina's fifth-largest supermarket chain, and they

plan to spend \$600 million more over three years to add new stores.

The companies, which bought Tia through Supermercados Norte SA, will control an Argentine retail empire with 123 stores and \$3 billion in annual sales.

"The union of Norte and the acquired chain creates the biggest retail chain in the country by sales, number of stores and number of workers," Exxel and Promodes said.

INTERNATIONAL FUTURES

Bloomberg News

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Weekend Box Office

LOS ANGELES — "She's All That" dominated the U.S. box office over the weekend, with a gross of \$16.8 million.

Following are the Top 10 moneymakers, based on Saturday's ticket sales and estimated sales for Sunday.

1. She's All That	2. The Parent Trap	3. Varsity Blues	4. A Civil Action	5. Shakespeare in Love	6. The Thin Red Line	7. The Princess of Egypt	8. You've Got Mail	9. An Officer and a Gentleman	10. First Sight
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Source: The Associated Press

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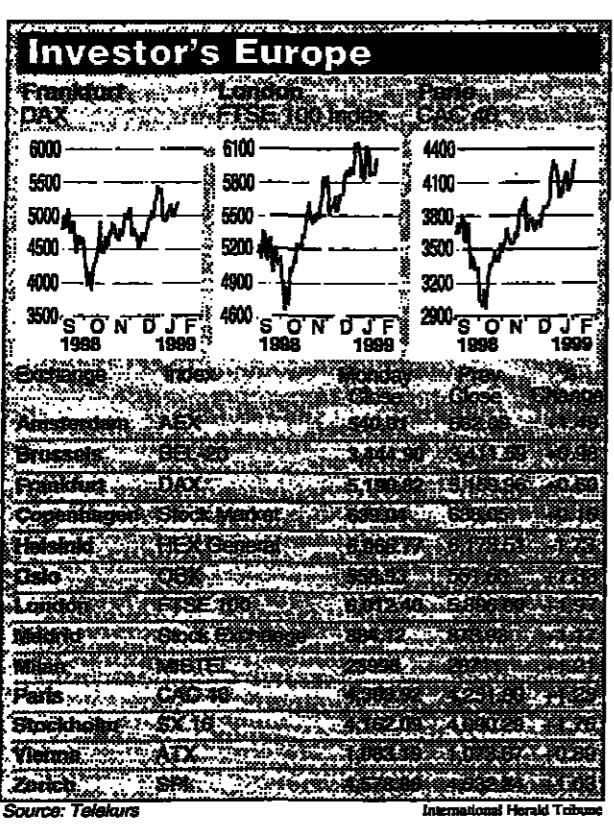
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Following are the Top 10 m

EUROPE



Car-Price Gap in the EU Narrows

Copied by Our Staff From Dispatches

BRUSSELS — The gap separating car prices in different EU countries has narrowed, the European Commission said Monday, but prices are gravitating to the higher rather than lower end of the scale.

"There are indications that many car producers increased prices in so-called cheap markets rather than reducing prices in expensive markets," the commission, the EU's antitrust watchdog, said in its semi-annual car prices report.

The EU's executive body expressed dismay at this trend, which would penalize consumers in Portugal, Spain and the Netherlands, where cars traditionally have been cheapest among EU nations.

Car manufacturers are allowed to set prices freely, the commission competition official Ulrich Krause-Heiber said, adding that he trusted

the sector was competitive enough to prevent consumers from being harmed.

It was the first time in two years that the gap in prices had narrowed. The advent of the common European currency, the euro, on Jan. 1 makes it easier for consumers to compare prices across borders.

The report, based on national price figures collected Nov. 1 but expressed in euros, showed that cars had become cheaper in Britain as a result of a fall in the pound since May when the previous survey was carried out. But prices were still higher there than anywhere else in the 15-nation bloc.

"This is bad news for U.K. consumers," Mr. Krause-Heiber said. Many British citizens have complained to regulators that they meet resistance from dealers when they travel to other EU countries to take

advantage of lower prices.

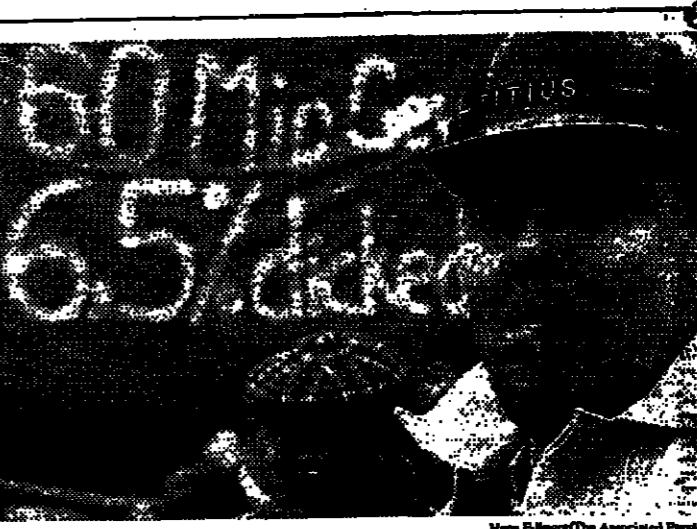
Although the commission cannot regulate carmakers' prices, it can enforce the consumer's right to cross EU borders to seek lower prices. EU authorities fined Volkswagen AG 102 million euros (\$115.4 million) last year for ordering its Italian dealers not to sell cars to Germans and Austrians.

The practice violates an EU exemption from antitrust rules that applies to car-dealer networks.

The commission's report compared pre-tax prices, as value added taxes and other levies vary from one EU country to another.

In contrast to other goods and services, on which taxes are paid in the country of purchase, consumers in the EU can buy a car in another country duty free and pay the taxes in their country of residence.

(Reuters, Bloomberg)



WHISTLE IF YOU WANT A RAISE — A worker demonstrating in Berlin, one of 26,000 members of the IG Metall union who staged warning strikes nationwide Monday. The union, Germany's biggest, is demanding a 6.5 percent raise; the employers group Gesamtmetall has offered 2 percent.

Russian Oil Giant Shrugs Off Bankruptcy Proceedings

Agence France-Presse

MOSCOW — A major Russian oil company said Monday that it was facing bankruptcy proceedings after a creditor filed a landmark suit in a Moscow court.

Sidanko, a holding company that groups about 30 oil producers and refiners across the country, is being pushed into bankruptcy by the little-known Russian creditor Beta-Eko, a Sidanko spokesman said.

Bankruptcy remains a rarity in Russia despite its large number of unprofitable enterprises, and Sidanko is the largest Russian company so far to end up in court.

The suit adds the energy giant to the list of victims of the financial

crisis that began last year.

But Sidanko executives and shareholders insisted that the case would not go as far as liquidation and said it could end up saving the struggling giant by giving it a chance to restructure and settle its trade debts.

As such, analysts say the bankruptcy proceedings shed light on the desperate struggle by industrial barons to salvage business empires that were shattered by the Russian economic collapse.

Sidanko is controlled by Vladimir Potanin, one of the tycoons often referred to as oligarchs.

"The main thing for Sidanko's management is to keep the com-

pany intact and preserve jobs," a company spokesman, Denis Davydov, said.

"Sidanko is not just an office in Moscow, it is some 30 companies across Russia. We would like the enterprises to work, work well and get paid."

Mr. Davydov said a Moscow arbitration court would decide on an external administration for the company, but he pointed out that shareholders owned more than 50 percent of Sidanko's total debt and so would retain a strong say.

After it was listed last year as the fourth-largest Russian oil company, Sidanko's fortunes swiftly declined as global oil prices col-

lapsed through 1998 and market mayhem ensued in Russia.

"Sidanko has always recognized its obligations to creditors," the company said.

But, it added, "in conditions of a significant fall in oil prices on world markets and a serious deterioration of the situation on Russia's financial market, these obligations have demanded serious efforts from the company and its shareholders."

After Sidanko persistently failed to pay taxes on time, the government cut its export quotas severely.

Mr. Davydov said the company had now paid its back taxes in full.

British Amoco PLC, which as British Petroleum Co. paid \$500 million for a 10 percent stake in Sidanko in November 1997, has since scaled back its involvement with the company, with a string of top executives pulling out in recent weeks.

But a spokesman said Monday that the Western oil giant remained committed to its investment in Sidanko and that it viewed the bankruptcy proceedings as a possible help rather than a hindrance to the company.

"We think Sidanko has a long-term future," the spokesman said.

"We think it is a basis for re-structuring."

Very briefly:

- Inmet SA, a French minerals and building-materials maker, agreed to buy English China Clays PLC for \$756 million (\$1.24 billion) to become the world's biggest maker of pigments to white paper, up from No. 3.
- Total SA will refine its planned purchase of Petrofina SA with European Union antitrust authorities, delaying a ruling by about a month. The EU has requested more information about the combined company's fuel-storage activities in France.
- Barclays PLC will restructure its retail banking unit to two from 20 units, shedding hundreds of jobs out of 60,000 worldwide and rebranding itself with a new advertising campaign.
- Banco Bilbao Vizcaya increased 1998 net profit by 25 percent, to 163.62 billion pesetas (\$1.12 billion).
- Global 2000 Coordinating Group, an international group of financial firms, has dropped a plan to publicly rate the year 2000 computer readiness of major nations. AP, AFP, Bloomberg

WORLD STOCK MARKETS

Monday, Feb. 1										Tuesday, Feb. 2										Wednesday, Feb. 3									
Prices in local currencies.					In euros for EU countries.					In euros for EU countries.					In euros for EU countries.					In euros for EU countries.					In euros for EU countries.				
High	Low	Close	Prev.	High	Low	Close	Prev.	High	Low	Close	Prev.	High	Low	Close	Prev.	High	Low	Close	Prev.	High	Low	Close	Prev.	High	Low	Close	Prev.		
Amsterdam	AEX index: 540.81	539.00	532.49	532.49	539.00	532.49	532.49	532.49	539.00	532.49	532.49	532.49	539.00	532.49	532.49	532.49	539.00	532.49	532.49	532.49	532.49	532.49	532.49	532.49	532.49	532.49	532.49		
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NASDAQ

Monday's 4 P.M.
The 1,000 most traded Nasdaq securities
in terms of dollar value, updated twice a year.
The Associated Press

Stock	Div	Yld	PE	12 Month High	12 Month Low	Stock	Div	Yld	PE	12 Month High	12 Month Low	Stock	Div	Yld	PE	12 Month High	12 Month Low	Stock	Div	Yld	PE	12 Month High	12 Month Low		
ABC				100	90	ABX				100	90	ABX				100	90	ABX				100	90	ABX	
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WORLD ROUNDUP

Denver Fans Riot

FOOTBALL For the second year in a row, a Denver Broncos' Super Bowl victory was celebrated by unruly crowds who swept through downtown Denver and clashed with policemen.

Officers fired tear gas as windows were broken, cars overturned and trash cans set afire, said Andrew Hudson, a spokesman for Mayor Wellington Webb. Damage was more extensive than after the Broncos' 1988 Super Bowl victory, Hudson said Monday.

"It was like following the path of a tornado," he said. "It was just a really ugly scene by a lot of obnoxious people who were drunk."

Twenty people were arrested in Denver, and damage was estimated at \$160,000.

Authorities also reported problems with revelers in several other cities in Colorado. (AP)

Refereeing Chief Quizzed

SOCCER Raffaele Guariniello, a Turin prosecutor who has been looking into the use of drugs in Italian soccer, opened an inquiry Monday into the country's referees.

Guariniello began his inquiry by interviewing Sergio Gonella, the head of Italy's referees association.

Guariniello is following up a complaint about possible irregularities in the way referees are assigned matches. The ANSA news agency reported that the complaint alleges that referees have been chosen in order to give favorable treatment to certain teams. (AFP)

Deacons Upset Terrapins

BASKETBALL Wake Forest broke a five-game losing streak by upsetting Maryland, the fourth ranked men's college team, 83-72, in Winston-Salem, North Carolina.

The Demon Deacons (12-9, 3-6 Atlantic Coast Conference) scored the first 10 points against Maryland. The Terrapins (19-3, 7-2), who had won their previous six games, shot a season-low 36 percent and had 18 turnovers on Sunday. (AP)

Mediate Wins in Phoenix

GOLF Rococo Mediate conquered his nerves to win the Phoenix Open. His even-par final round of 71 on Sunday beat Justin Leonard by two strokes and Tiger Woods by three.

Mediate started the day six shots ahead of Woods and seven ahead of Leonard. He finished with a 72-hole total of 11-under 273. Leonard carded a final-round 66. Woods shot 68 after making par on the first 10 holes. (AP)



Rococo Mediate holding up his ball at the last hole in Phoenix.

Elway Leads Broncos to 2d Straight Super Bowl Title

Potent Offense and 3 Interceptions By Defense Sink the Falcons, 34-19

By Leonard Shapiro
Washington Post Service

MIAMI — If he chooses to retire, John Elway, the Denver Broncos' quarterback, wrote the perfect ending to his storied career with a performance that was far too overpowering for the error-prone and perhaps slightly distracted Atlanta Falcons to overcome in Super Bowl XXXIII.

Aided by a defense that made interceptions on three straight Falcons possessions in the second half, Elway threw for 336 yards and scored the Broncos' final touchdown on a three-yard quarterback draw with 11 minutes, 20 seconds left in the game on Sunday night. That score essentially put the finishing touches on a 34-19 victory, the Broncos' second straight triumph in American football's showcase game.

"I don't know if it's John's last game," said Mike Shanahan, the Denver coach. "But if it is, what a way to go out. We've got a lot of guys in the locker room trying to talk him into a three-peat."

Elway, 38, said he had not made a decision on whether he would retire.

With the Atlanta quarterback, Chris Chandler, struggling, the Falcons' defense didn't produce a touchdown until 2:04 remained in the game. Chandler finished with 19 completions in 35 attempts for 219 yards, was sacked twice and threw three interceptions in the face of heavy pressure from Denver's blitzing defense.

But the Falcons' woes began before the opening kickoff when their veteran free safety, Eugene Robinson, was arrested Saturday night and charged with soliciting sex from a prostitute. Robinson proclaimed his innocence and publicly apologized after the game, but it became a huge issue for the Falcons in the hours leading up to kickoff.

Robinson missed several tackles and was the victim on a spectacular 80-yard touchdown pass from Elway to the wide receiver Rod Smith that helped the Broncos (17-2) open an 11-point half-time lead.

Elway's heroics were accomplished largely without one of his favorite targets, Shannon Sharpe, his tight end, suffered a hyperextended left knee late in the first quarter on a catch that set up the Broncos' first touchdown. He missed the final three periods.

When Shanahan replaced his starter with the backup quarterback, Bubby Brister, with 50 seconds left in the game, Elway left the field to an explosion of flashbulbs around Pro Player Stadium and was mobbed by his teammates in what might have been his final game. He has said he will make the decision on retirement after consulting with his family, just as he did a year ago in deciding to come back this season.

The NFL commissioner, Paul Tagliabue, in presenting the trophy for the game's MVP to Elway, said: "If, and I underline if, this is your last game, on behalf of millions of fans around the world, I want to say thank you for so many memorable memories."

It was a much less memorable game for the Falcons' coach, Dan Reeves, who joined Don Shula, Bud Grant and Marv Levy as coaches who have lost four Super Bowls. Reeves, who underwent quadruple-bypass heart surgery on Dec. 14, saw his team's 11-game winning streak come to a halt in only its third loss in 19 games.

Reeves, once the Broncos' coach,

fired Shanahan for insubordination following the 1991 season, and he and Elway parted company with bitter feelings when Reeves was himself fired by Denver's owner, Pat Bowlen, in 1992.

On Sunday there were countless Denver heroes, one of whom was the running back Terrell Davis, who gained 102 yards on 25 carries. It was Davis' seventh straight 100-yard postseason rushing game, breaking a record held by John Riggins, the former Washington Redskin running back. The Denver fullback, Howard Griffith, scored

two touchdowns, both on one-yard runs, and Smith had five receptions for 152 yards.

The Broncos' defense played a huge role in stifling Chandler and the Falcons' offense. The cornerback Darrien Gordon had two second-half interceptions (returning them a total of 108 yards), and Denver used a variety of blitzes that sent players rushing at the beleaguered Chandler from every direction. The Falcons yielded four second-half turnovers that ultimately proved fatal.

They also squandered critical first-half opportunities deep inside Denver's territory, failing to pick up a first down on four and one at the Denver 26 on their first possession of the second quarter, then failing to get three points when Morten Andersen missed a 26-yard field goal with 5:07 left in the half.

With the Broncos holding a 10-3 advantage on the play after Andersen's miss, the Falcons were scrambling to get into the proper defense just before the snap of the ball. They were in a zone defense, with the cornerback Ronne Bradford trying to bump Smith at the line and Robinson picking him up deep.

Robinson appeared to bite on a play fake, and before he could recover Smith was a good two strides behind him. Elway launched a pass that hit Smith in full stride in midfield, and the swift receiver ran untouched into the end zone for a score that stretched the Denver lead to 17-3 with 4:54 left in the half.

He completed 18 of 29 passes; he threw for 336 yards including an 80-



The Broncos' John Elway giving a stiff-arm to the Falcon linebacker Cornelius Bennett in the Super Bowl.

A Day That Matched His Greatness

Vantage Point/MICHAEL WILSON

MAMI — The man who will go down in pro football history as perhaps the greatest quarterback of all time finally played it in the only game that really mattered. Yes, John Elway's career had already been validated with last year's Super Bowl victory. But Sunday was Elway's signature game, the portrait of a great artist that ultimately proved fatal.

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He completed 18 of 29 passes; he threw for 336 yards including an 80-

yard touchdown bomb to Rod Smith; he ran for a touchdown; and he was appropriately named the game's most valuable player. At 38 years old, playing perhaps the final game of one of the great careers in NFL history, Elway controlled the game as he did in his late 20s and early 30s.

Jessie Tuggle, Atlanta's veteran linebacker, put the game in perspective when he said: "To me, as I was watching film all week, studying Davis, the receivers, the tight ends, we knew we had to first stop Davis. I'm sorry, I know John's a future Hall of Famer, but at this point you have to make John beat you. Terrell rushed for 2,000-plus yards this season, so you have to make John beat you. And John responded today."

With about 50 seconds remaining, Elway left the field to a long, appreciative ovation. "That walk I'll remember for the rest of my life," he said.

"I guess the message," Elway continued, "is to keep working hard and hang in there because you never know. I'm a prime example."

Just one year ago, when the Packers were heavily favored to beat the Broncos in San Diego, it seemed Elway was destined for a career with an asterisk: Boy, was he great, but it's too bad he never won a Super Bowl.

Now he's got two championship rings plus a Super Bowl performance to call his own. Just like Namath, Staubach, Bradshaw, Plunkett, Montana, Aikman, Young, Favre and Simms. There's nothing missing from Elway's résumé now. Nothing. And to think that this team — the franchise Elway made — had become Davis's team. To think so many — myself included — wondered if Elway had it in his 38-year-old body to carry a team for 60 pressurized, anxiety-filled minutes. Some people weren't sure, but the best quarterback on the field.

One of the story lines here all last week was that Atlanta's Chris Chandler had a better season than Elway did.

Statistically speaking, it was a defensive position. But the Super Bowl is a season unto itself, which Elway already knew and which Chandler found out the hard way. His three interceptions killed the Falcons; they eliminated not only

Robinson Regrets Distraction

By Thomas Heath
Washington Post Service

MIAMI — Eugene Robinson, the Atlanta Falcons safety who was arrested on a charge of soliciting sex from a prostitute, proclaimed his innocence and apologized to his team and family after the Super Bowl.

Robinson, 35, started the game on Sunday night after being released from custody Saturday night.

"I really believe, and strongly believe, that I will be found innocent,"

Robinson said after Atlanta lost to Denver.

"What I really want to do now is apologize first to my Lord, Jesus Christ, secondly to my wife and kids, and thirdly to my teammates and the entire NFL organization for the distraction that I may have caused them."

Robinson was driving a car alone on Saturday when he offered a female undercover officer for the Miami police \$40 for oral sex, according to police reports.

Robinson said the incident did not affect his play, although he said he was unable to sleep Saturday night.

But the Pro Bowler was beaten on an 80-yard touchdown pass from John

Elway to the wide receiver Rod Smith, something that Robinson said "is going to really haunt me."

Robinson, whose family was with him in Miami, is one of his team's most popular players and is outspoken about his deep religious faith.

At a breakfast Saturday, he received the 1999 Bart Starr Award from the religious group Athletes in Action. The award honors athletes of high moral character.

"Reputation? I can deal with that," said Robinson, who has two children. "The hurt? My wife? That means much, much more to me. I truly do love my wife. I love her, I love my kids. I'm sorry I had to drag her through that type of deal."

Robinson was a four-time Man of the Year in Seattle, where as a Seahawks player he was involved with Boys and Girls Club and the Union Gospel Mission, where he worked with people who have cerebral palsy.

Robinson played for the Green Bay Packers in the Super Bowl the last two seasons. In the days leading to this year's game, he exhorted teammates to obey curfew and stay focused.

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ART BUCHWALD

So Many Crimes ...

NEW YORK — The most misused words in the English language right now are "high crimes" and "misdemeanors." Everyone has his own interpretation of what they mean.

Perhaps I can be of help. For teenagers, a high crime could be lying to your parents about your report card. A



misdemeanor could be taking your parents' car without their permission.

A misdemeanor or for grown-ups could be telling your friends you can't come to their dinner because your mother is sick, when your mother is in the best of health.

A high crime would be telling an air terminal employee that no one helped you pack your bags.

There are so many high crimes and misdemeanors to be committed. One of the worst misdemeanors is telling your husband you don't remember what you charged at Saks Fifth Avenue.

A high crime that must be

punished is informing your doctor that you have been walking two miles a day when, in fact, you haven't been walking at all.

A misdemeanor, which we all commit, is calling in sick when we want to play golf or tennis or go get a haircut.

At the same time, a high crime would be going to your high-school reunion and lying about how much money you make.

One serious misdemeanor that could be charged against you is giving fat-free ice cream to your children when you promised the real thing.

A high crime is to not call back your mother when you assured her you would.

A misdemeanor that is criminal is to admit to male friends that you committed adultery when you never did.

A high crime is to give the Bronx cheer into somebody else's voice mail.

□

Finally, it is a misdemeanor for politicians to drive the president of the United States from office.

It is a high crime to make the American people listen to them.

A Look at the Life of Robeson

New York Times Service

WASHINGTON — As gifted as he was controversial, Paul Robeson led a life that brought him All-American honors on the football field at Rutgers University, Phi Beta Kappa status in the classroom, stardom as an actor and singer, and condemnation and ostracism as a communist sympathizer.

Now, through some 150 photographs, prints, paintings and pieces of memorabilia and audio clips, Robeson (1898-1976) is the subject of a new exhibition here at the Smithsonian Institution's National Portrait Gallery.

Among the items in "Paul Robeson: Artist and Citizen," through April 18, are a program from his first formal concert, in Boston in 1924; his costume from the 1933 production of "The Emperor Jones," and photographs documenting his efforts to end racial discrimination and other social injustice.



BALLOON WEEK — Fireworks illuminating Chateau d'Oex, Switzerland, over the weekend to kick off the city's 21st hot-air balloon festival.

Arnold Schoenberg: Pushing Music to Evolve

By Anthony Tommasini
New York Times Service

NEW YORK — For a brief period in the spring of 1898, Arnold Schoenberg, then 23, thought his music just might be received with some degree of sympathy. His String Quartet in D, a piece steeped in Brahms but using a more wide-ranging harmonic language, was performed by a new-music ensemble in Vienna and greeted with something approaching enthusiasm.

But it was not to last. Schoenberg's ruminatively beautiful string sextet "Transfigured Night," the next work he submitted for the ensemble's consideration, was rejected as too radical. And when several of his songs were presented in Vienna in late 1900, vehement protests erupted in the audience. Schoenberg soon became, as he put it, "everyone's whipping boy." For the rest of his life, he met with incomprehension at best, outright hostility at worst.

Even today, Schoenberg probably gets the nod as the most reviled composer in history. So when the Metropolitan Opera presents its first production of his masterpiece "Moses und Aron" on Feb. 8, more of the animosity the composer's music has always attracted will undoubtedly be whipped up.

Early on, Schoenberg tried to numb himself to the attacks. "I have become indifferent to public abuse," he wrote in 1915 to the composer Alexander Zemlinsky, who, though just three years older, was the closest thing the essentially self-taught Schoenberg had to a teacher. In truth, the abuse embittered him. When it came from musicians and critics, he suffered pangs of self-doubt.

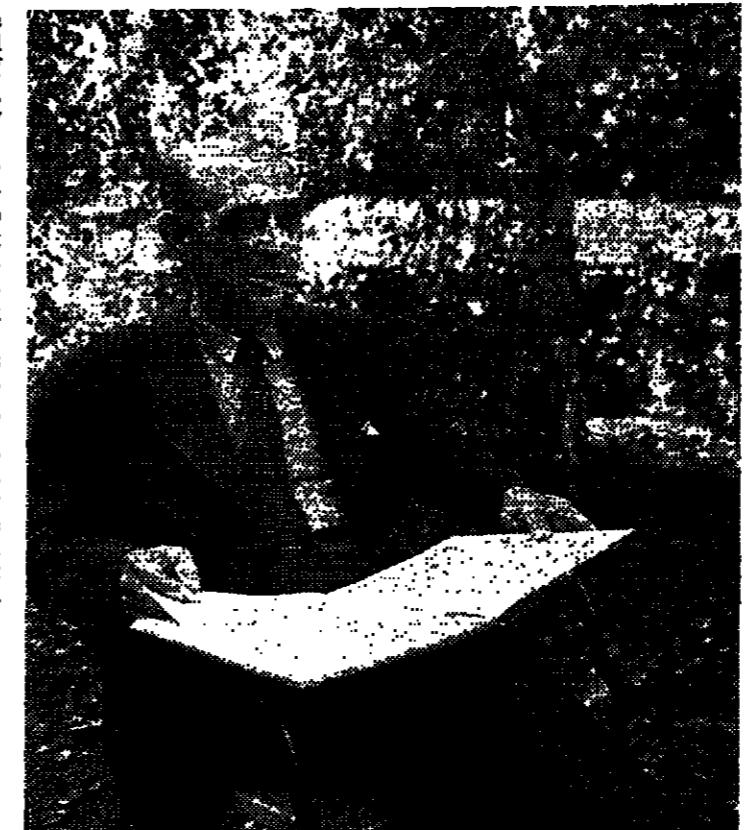
And the abuse could be merciless. "I suffered physical pain, one cruelly abused," a Berlin critic wrote in 1909, on hearing the composer's Second String Quartet. James Gibbons Huneker, the critic for The New York Times, reporting on a performance of

"Pierrot Lunaire" in 1913, wrote that Schoenberg's music conveyed an "aura of original depravity, of subtle ugliness, of basest egotism, of hatred and contempt, of cruelty and of the mystic grandiose."

Yet Schoenberg clung to his belief that however radical, the evolution of his musical language into a free atonality, and his subsequent invention of the technique of 12-tone composition, represented inevitable stages in the development of the great European classical tradition. That is not the way things panned out. Still, he would probably be amazed by the imposing place he now occupies in history.

Though Huneker's condemnation may seem laughably excessive today, many present-day listeners essentially agree. The Met production of "Moses und Aron" will be seen as a brave act of principled programming. But the "Moses und Aron" does not have to be box-office poison when it presented the work's New York stage premiere in 1990. Ticket sales were strong, though they were driven in part by a daring production, which included a steamy enactment of Israelites engaging in orgiastic dancing before the idol of the golden calf.

Little word has emerged about



The Associated Press

the Met's production, by Graham Vick, but publicity photographs suggest a spare, vividly colorful approach. James Levine, who reverses the opera, will conduct.

If anything of Schoenberg's has the potential to engage those unfamiliar with his music — intimidated by the 12-tone idiom, perhaps, but at least curious — it is this viscerally powerful, dauntingly complex yet often hauntingly beautiful opera, for which Schoenberg also wrote the libretto. It is his most directly personal statement.

The biblical story spoke to Schoenberg's deep spiritual cravings. Perhaps because his life's work involved contesting the absolutes he had inherited in music, Schoenberg sought others in re-

ligion. He completed two acts of the opera in 1932. (A third was intended but never composed.)

The next year, Hitler's rise to power in Germany and the Nazis' persecution of Jews provoked a powerful reaction in Schoenberg. Born and raised Jewish in Vienna, he had converted to Lutheranism in early adulthood. But in 1933, at 59, he openly re-embraced his Jewish faith.

"Moses und Aron" anticipated his reconversion and grippingly expressed the fervor behind it.

Still, the prospect of hearing "Moses und Aron" will no doubt evoke terror in many listeners. Why has Schoenberg's musical radicalism engendered such continuing hostility, when the radicalism of Stravinsky and Bartok has long been embraced?

Probably because Schoenberg is viewed, simplistically, as the main culprit behind the challenge to the system of tonality that had for centuries brought at least some degree of commonality to music from diverse cultures, and because he is blamed, rightly or wrongly, for driving a wedge between 20th-century composers and the public. Even Schoenberg's pre-12-tone music represented, in the words of a Berlin critic in 1910, a "methodical negation of all heretofore accepted musical rules." Schoenberg "kills tonal perception," the critic added. "Debussy only threatens; Schoen-

berg carries out the threat."

There is, to be sure, an element of truth in this critique, and Schoenberg has never been forgiven.

Pandemonium, he revered the tradition and the stylistic unity it made possible. Despite his defensiveness about his work, he never intended to tear down the entire tonal system. He moved to the United States in 1933 and eventually settled in Los Angeles, where he briefly became a friend and tennis partner of George Gershwin, whom he respected immensely. There was nothing patronizing about this respect. Schoenberg simply felt that the serious music of high culture operated on a different plane from other music, and radical currents had been sweeping through serious music for some time.

He felt compelled, almost against his will, to dismantle existing procedures and devise new ones. It was a dirty job, in other words, but somebody had to do it.

What, exactly, needed to be done? Before the century was a decade old, the system of tonality was in crisis, and whatever one ultimately thinks of Schoenberg's solutions, his analysis of the problem was astute, convincing and courageous. Although tonal music is ubiquitous, the concept of tonality is hard to describe. In its most common manifestation, music using major and minor keys, tonality is a system of organizing pitch in accordance with acoustical principles. A certain pitch (say, the C of the C major scale) is fundamental.

The other pitches of the scale relate to that fundamental in an audible hierarchy of importance. Whatever happens, the music has to keep referring back to that fundamental. Some opera fans will pass the poster for "Moses und Aron" out

outside the Met, curse Schoenberg's name and go inside to buy tickets for "Aida." They will miss the work of a composer placing everything on the line, maybe crossing that line but not caring, so powerful was his compulsion to create this opera.

PEOPLE

THE filmmaker Stanley Kubrick may come out of seclusion in Britain, where he has lived since 1961, to file suit in person against the satirical magazine Punch, the Independent on Sunday reported. Kubrick has sued Punch for an unsigned job in the August issue, which his lawyers plan to argue put into question their client's mental health. But James Steen, editor of Punch, said: "We're not saying he is clinically insane. What it means is he's a well-meaning eccentric." The magazine, a property of the millionaire Mohamed Al Fayed and no stranger to controversy, said Kubrick had read too much into the piece. The director is finishing up a much talked about film starring Tom Cruise and Nicole Kidman, "Eyes Wide Shut," which is scheduled to be released in mid-1999.

The city of Leipzig has commissioned a sculpture to be erected next year to mark the 250th anniversary of the death of Johann Sebastian Bach. The sculptor Arman, who lives in New

York, was in Leipzig over the weekend to find inspiration for the work, "Homage to Bach." The German composer was director of music at the Church of St. Thomas in Leipzig from 1723 until his death.

□

Nick Nolte says there is good reason for the six-year delay between when he got the screenplay for "Affliction," and when he stepped in front of the camera to film it. Nolte told The Philadelphia Inquirer in a story published Sunday that he was not mature enough for the role in the early 1990s. "There were areas about the violence that I didn't get in the largest sense," said Nolte, who plays a bear-like man burdened with the legacy of family violence and alcohol abuse. "I needed to understand that we are the killer — that's part of us," he said.

□

Michael Caine, his days of philandering and heavy drinking well and truly behind him, says he is "too old to mess around with women." The 65-

year-old actor's film career has taken on a new life with his portrayal of a sleazy impresario in "Little Voice," winning a Golden Globe award and sparking speculation that an Oscar could be next. "I will do a bottle of vodka a day in the 1960s — no problem. You are just top-

ping yourself up," Caine told The Times of London in an interview. Meeting the model Shakira Baskin changed all that. "I stopped when I met my wife," he said. "Romance took over and, of course, women do not like drunks."

Marilyn Manson Flees Australian Stage

Agence France-Presse

PERTH, Australia — The Satanist shock-rocker Marilyn Manson stormed off stage after being bombarded with missiles and abuse at a concert here in which 400 people were hurt, fans and members of ambulance crews said Monday.

A spokesman for an ambulance company said the injured at Sunday's concert included one of Manson's guitar technicians, who was treated for a cut head after being struck by some sort of object. Most of the injured fans were treated on the spot for minor injuries, but some were more seriously hurt when they were thrown over the crowd.

Fans said Manson had shouted abuse at the crowd before leaving the stage about half way through his hour-long set. One concert-goer, Jo Metcalf, said plastic water bottles and other debris had been thrown at other acts throughout the concert. Manson's record company said that he had walked off because he was angered by the crowd's behavior, but that the concert would not affect his future tours of Australia.

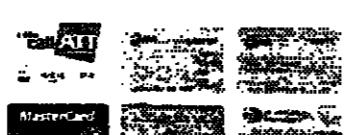


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